

A G E N D A

SOUTH CAROLINA WORKERS' COMPENSATION COMMISSION

1333 Main Street, 5th Floor
Columbia, South Carolina 29201

Monday, July 19, 2010 – 10:30 a.m.

Commission Hearing Room A

BUSINESS MEETING

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| 1. | APPROVAL OF AGENDA OF BUSINESS MEETING
OF JULY 19, 2010 | <i>CHAIRMAN BECK</i> |
| 2. | APPROVAL OF MINUTES OF BUSINESS MEETINGS
OF JUNE 21, 2010. (Tab 1) | <i>CHAIRMAN BECK</i> |
| 3. | GENERAL ANNOUNCEMENTS | <i>MR. CANNON</i> |
| 4. | APPLICATIONS FOR APPROVAL TO SELF-INSURE (Tab 2) | <i>MR. SMITH</i> |
| 5. | DEPARTMENT DIRECTORS' REPORTS

Administration – Financial Report (Tab 3)
Information Services (Tab 4)
Insurance & Medical Services (Tab 5)
Claims (Tab 6)
Judicial (Tab 7) | <i>MS. HORNSBY</i>
<i>MS. HARTMAN</i>
<i>MR. McCUTCHEON</i>
<i>MR. LINE</i>
<i>MS. CROCKER</i> |
| 6. | EXECUTIVE DIRECTOR'S REPORT (Tab 8) | <i>MR. CANNON</i> |
| 7. | OLD BUSINESS | <i>CHAIRMAN BECK</i> |
| 8. | NEW BUSINESS
A. Advisory Committee (MSPM) Report (Tab 9)
B. Approval of Hearing Costs Assessment (Tab 10) | <i>CHAIRMAN BECK</i> |
| 9. | ADJOURNMENT | <i>CHAIRMAN BECK</i> |

1	June 21, 2010 Minutes
2	Self-Insurance
3	Administration
4	Information Services
5	Insurance and Medical
6	Claims
7	Judicial
8	Executive Director's Report
9	Advisory Committee (MSPM) Report
10	Approval of Hearing Costs Assessment
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THE
SOUTH CAROLINA WORKERS' COMPENSATION COMMISSION
BUSINESS MEETING

June 21, 2010

A Business Meeting of the South Carolina Workers' Compensation Commission was held in Hearing Room A of the Workers' Compensation Commission on Monday, June 21, 2010 at 10:30 a.m. The meeting agenda was posted prior to the meeting and proper advance notice was made to all concerned parties in adherence with the Freedom of Information Act. The following Commissioners were present at the meeting:

ANDREA C. ROCHE, CHAIRMAN
SUSAN S. BARDET, VICE CHAIR
DAVID W. HUFFSTETLER, COMMISSIONER
G. BRYAN LYNDON, COMMISSIONER
DERRICK L. WILLIAMS, COMMISSIONER
AVERY B. WILKERSON, JR., COMMISSIONER
T. SCOTT BECK, COMMISSIONER

Present also were Gary M. Cannon, Executive Director, Betsy Hartman, DSIT, Kristi Hornsby, Director of Administration, Greg Line, Claims Director, Al McCutcheon, Director of Insurance and Medical Services, Virginia Crocker, Judicial Department Director, W.C. Smith, Self-Insurance Director, Amanda Underhill, Senior Application Analyst, and Jennifer Neese, Executive Assistant. Visitors present were Kenny Harrell, South Carolina Injured Workers' Advocates, and Marcia Lindsay, Beverly Riley Legislative Audit Council.

Chairman Roche called the meeting to order at 10:28 a.m.

AGENDA

Commissioner Barden moved that the June 21, 2010 agenda be approved. Commissioner Williams seconded the motion and the motion was approved.

APPROVAL OF MINUTES - BUSINESS MEETING OF MAY 17, 2010

Commissioner Lyndon moved that the minutes of the Business Meeting of May 17, 2010 be approved. Commissioner Williams seconded the motion and the motion was approved.

GENERAL ANNOUNCEMENTS

There were no general announcements.

APPLICATIONS FOR APPROVAL TO SELF-INSURE

Self-insurance applications were presented by W.C. Smith, Self-Insurance Director. Twelve (12) prospective members of three (3) funds were presented for approval by the Commission. The applications were as follows:

Palmetto Timber Fund

Backwoods Logging
Dempsey Wood Products, Inc.

S.C. Auto Dealers Association SIF

Best Kia

S. C. Home Builders SIF

Chuck Davis
Hadrian Construction Company, Inc.
Lominick Painting
Manning Home Siding & Insulation
Mayfield Fence
Mobius Construction
Perry Williams Construction
Southeastern Construction Solutions, LLC
Steve Evans Construction

After examination of the applications, it was determined that each complied with the Commission's requirements and each was recommended for approval. Commissioner Wilkerson made the motion to approve the applications to self-insure and Commissioner Lyndon seconded the motion. The motion was unanimously approved.

DIVISION DIRECTORS' REPORTS

The Division Directors presented their reports which were also submitted to the Commission in written form.

Administration Department

Kristi Hornsby presented the financial report for the nine month period ending May 31, 2010. All expenses for May were received and paid timely. Only one payroll was posted in the month of May. Three were posted in the month of April. Through May 31st the Commission has collected \$470,287 more in revenue than the revised budget amount.

Information Services

Betsy Hartman presented the Information Services Department's report. Commissioner Wilkerson asked why there was an increase in postage with the Commissioner's offices from March to April. Ms. Hartman replied that she was not certain but would provide an answer at the next business meeting.

Insurance & Medical Services

Al McCutcheon presented the Insurance and Medical Services Department's report. Commissioner Beck asked Mr. McCutcheon to explain the decrease in the dollar amount of the total fines assessed under Compliance. Mr. McCutcheon stated the department is operating with only one compliance officer and during the months of April and May under the directive of not to enter checks into Progress, there was a misunderstanding with the compliance officer and although he was assessing the fines, there were not being entered into Progress.

Claims Department

Greg Line presented the Claims Department's report. Commissioner Huffstetler stated that Mr. Line needed to take a little credit for his efforts in assessing and collecting fines. Those efforts are addressed in the Executive Director's report.

Judicial Department

Virginia Crocker presented the Judicial Department's report. Ms. Crocker noted the yearly statics will be available in June.

EXECUTIVE DIRECTOR'S REPORT

Mr. Cannon reported on the following items:

Fines and Assessments Aging Report

The attached Fines and Assessments Aging Report reflects the number and amount of fines assessed for the ten month period in FY 2009-10.

Form 18 fines – A temporary employee was employed February 1, 2010 to begin assessing the Form 18 fines on a daily basis. Previously we were assessing these fines every two months. We collected a total of \$618,778 for the period February 1 through June 15. The additional revenues collected from February 1 – June 15 totaled \$370,076. We projected a \$400,000 increase. During the same period we incurred expenses totaling \$5,104 in salary and benefits for the efforts, netting the agency \$364,972 in additional revenues.

Advisory Committee – Medical Fee Schedule

The Advisory Committee met on May 14th and discussed the position papers submitted by the participants. The Committee is scheduled to meet on June 18, 2010 for final deliberations. The Committee's schedule calls for their report to be presented to the Commission at the Business Meeting in July.

Constituent Contacts

The Division of Public Affairs received forty-three calls this month from constituents. One was from the Office of the Governor and two were from the offices of legislators. There were nineteen pro-se claimants that contacted the division requesting information about their rights and responsibilities. Form filing requirements and the procedure for releasing an attorney were the most frequently asked questions. Written correspondence received consisted of two letters and twenty-five emails. When asked the source of

reference for contacting the Division of Public Affairs the majority indicated that they received contact information from the Commission's website. Ms. Neese met with two claimants who needed assistance completing the Form 50.

OLD BUSINESS

There were no items of Old Business.

NEW BUSINESS

ELECTION OF INTERIM CHAIRMAN

Under New Business, Chairman Roche stated the election of the interim Chairman was an item on the agenda and asked for discussion. Commissioner Barden thanked Chairman Roche for her service. Chairman Roche stated that it was a pleasure to serve this Commission. Commissioner's Lyndon, Wilkerson and Williams also commended Chairman Roche for her service as Chairman. There was discussion on Section 42.3-20. Membership, terms of office, vacancies and duties of Commission; chairman. Commissioner Huffstetler asked if there was a consensus to the language of the statute that after the election of an interim chairman by the Commission, the governor could appoint a chairman which would void any election by the Commission. There was a consensus.

Commissioner Barden moved to place into nomination the name of Commissioner T. Scott Beck as interim Chairman until the Governor appoints another Chairman as to adhere to the requirements of Section 42-3-20(B). Commissioner Wilkerson seconded the motion and the motion was approved. Chairman Roche congratulated Commissioner Beck.

COMPUTER REPLACEMENT PROGRAM

The next item under new business was the Computer Replacement Program FY 2010–14. Mr. Cannon reviewed the replacement program to be phased in over the next four years. The total workstations, laptops and total annual costs were for the four year period was presented in a spreadsheet which was included in the meeting materials.

Mr. Cannon recommended the approval of expenditures to implement the computer replacement program for FY 2010–2014 at a cost of \$59,726 utilizing the Fund Balance of the Earmarked Fund. Expenditures for the program for future years will require annual approval of the Commission. There was discussion. Chairman Roche asked Mr. Cannon to order her a thumb drive. Commissioner Beck stated that his name was not on the list and asked Mr. Cannon if his laptop would be replaced this year because his was fairly new. Mr. Cannon replied that his laptop was on the schedule to be replaced the next year. Commissioner Beck asked what will be done with the laptops that are being replaced. Ms. Hartman replied that the newer ones will be used to replace some of the older ones in the agency through a roll-out plan.

Commissioner Wilkerson moved to accept staff's recommendation to amend the budget

with an increase of \$59,726 in order to implement the computer replacement program. Commissioner Barden seconded the motion and the motion was approved.

Chairman Roche asked Ms. Hartman when the Commission could expect the replacement laptops. Ms. Hartman replied thirty days. Commissioner Huffstetler confirmed with Ms. Hartman that the Commission has followed state procurement procedures with regards to the purchase of the new computers. Ms. Hartman assured the Commission the proper procedures have been followed.

EXECUTIVE SESSION

Commissioner Wilkerson moved to adjourn into Executive Session to discuss a personnel matter. Commissioner Williams seconded the motion and the motion was approved. The Commission adjourned into Executive Session at 11:09 a.m.

[EXECUTIVE SESSION]

Commissioner Beck made a motion to arise from Executive Session. Commissioner Williams seconded the motion and the motion was approved. The Commission arose from Executive Session at 11:31 a.m. Upon arising from Executive Session, Chairman Roche stated that a personnel matter was discussed with no action taken.

REORGANIZATION - OMBUDSMAN POSITION

Mr. Cannon recommended the Commission eliminate the position of Ombudsman (Executive Assistant II – Executive Directors Office). The position will become vacant on June 25, 2010 with the resignation of Ms. Neese. The services currently provided by the position will continue to be provided by the Executive Directors Office and other positions in the organization. Mr. Cannon thanked Ms. Neese for her service to the Commission and hard work.

Commissioner Beck stated that it is an important point to understand that the Commission will continue to provide ombudsman services to the citizens of this state, generate reports and the other duties previously assigned to that office. The duties will just be distributed to other employees within the agency and asked that the employees and the duties be identified with contact information. Mr. Cannon stated even though other employees will be assisting with ombudsman duties the primary contact will continue to be through the Executive Director's office.

Commissioner Huffstetler thanked Ms. Neese for the work she has done for the Commission.

Commissioner Huffstetler moved to accept the Executive Director's personnel recommendation. Commissioner Williams seconded the motion and the motion was approved.

ADJOURNMENT

Commissioner Williams made the motion to adjourn. Commissioner Beck seconded the motion and the motion was approved.

The June 21, 2010 meeting of the South Carolina Workers' Compensation Commission adjourned at 10:35 a.m.

Reported July 1, 2010
Kandee W. Johnson

INTEROFFICE MEMORANDUM

TO: GARY CANNON, EXECUTIVE DIRECTOR
FROM: KRISTI HORNSBY, DIRECTOR OF ADMINISTRATION
SUBJECT: FINANCIAL REPORT PERIOD ENDING JUNE 30, 2010
DATE: 7/15/2010

The finance report for the twelve month period ending June 30, 2010, is attached.

- All invoices received for Fiscal Year 2010 have been processed and are reflected in the attached financial report.
- Any invoices received after Friday, July 16th must be processed with Fiscal Year 2011 funds.
- Through year end we collected \$1,030,746 more in revenue than our revised budget amount.
- Key figures for the Administration Department during the month of June:

SCEIS Purchase Orders Cut	2	State Reports filed by Procurement Officer	4
Vendors Contacted for Price Quotes	17	Files Copied for Outside Parties	301
Visa Procurement Card Orders Placed	7	Payments made (Vendors, Travel, Other State Agencies)	
SC Dept of Corrections Orders Placed	2	HR transactions processed through OHR	3
Staples Orders Placed	6	HR transactions processed in SCEIS	2
State Leased Vehicles taken for Service	2	See attached Mail Summary	

Request to amend Earmarked Fund budget in response to House and Senate budget reductions passed during the budget process:

Total Reduction = \$396,041 (House = \$370,559 / Senate additional = \$25,482)

This reduction was met by transferring Full Time Equivalents (FTE's) from General Appropriations to Earmarked Fund Appropriations. A total of 10 positions were moved to meet the above reduction. Recently some changes were made to the organizational structure of SCWCC, and those changes have lowered the budgetary requirement for several of the 10 positions transferred. At this time the following is needed in Earmarked Fund Appropriations to meet our Fiscal Year 2011 salary requirements:

Classified Positions:

Administration	\$ 21,063
Claims	\$ 88,359
Ins & Med	\$170,263
Judicial	\$ 3,157

Other Personnel Services:

Administration	\$ 4,500
Claims	\$ 5,000
Ins & Med	\$ 4,635
Employer Contributions	<u>\$ 59,338</u>
GRAND TOTAL	<u>\$356,315</u>

Approval is requested to increase Earmarked Fund Appropriations by \$356,315 using available fund balance (at June 30, 2010 the fund balance was \$2,832,052).

Note: At the May business meeting, the Commission approved the first year funding of the computer replacement project. A BD100 will be done for \$62,500 from fund balance to cover this expenditure.

South Carolina Workers' Compensation Commission
Summary of Revenues and Expenditures
2009 - 2010 Budget
June 30, 2010

		Benchmark	100.00%
STATE APPROPRIATIONS			
General Appropriation	\$ 2,540,457		
Less: 4.04% Budget Reduction - Sept 2009	(102,566)		
Less: 5% Budget Reduction - Dec 2009	(121,895)		
General Appropriation	<u>\$ 2,315,996</u>	<u>\$ 2,315,996</u>	100.00%

Account Description	Appropriation	Expenditure	Balance	% Expended
Personal Services	\$ 1,788,433	\$ 1,788,423	\$ 10	100.0%
Other Operating Expenses	-	-	-	0.0%
Employer Contribution	527,563	527,563	-	100.0%
Total	\$ 2,315,996	\$ 2,315,986	\$ 10	100.0%

OTHER APPROPRIATIONS

EARMARKED	Budgeted Revenues	Amended Revenues	Received thru 06/30/10	% Received
Training Conference Registration Fee	\$ 12,000	\$ 12,000	\$ 1,920	16.00%
Sale of Publication and Brochures	11,000	11,000	20,732	188.47%
Workers' Comp Award Review Fee	162,000	162,000	78,950	48.73%
Sale of Photocopies	95,000	95,000	94,635	99.62%
Workers' Compensation Filing Violation Fee	1,150,000	1,301,335	2,332,081	179.21%
Sale of Listings and Labels	70,000	70,000	36,627	52.32%
Workers' Comp Hearing Fee	600,000	600,000	587,575	97.93%
Earmarked Funds - Original Authorization	<u>\$ 2,100,000</u>	<u>\$ 2,251,335</u>	<u>\$ 3,152,520</u>	<u>140.03%</u>
BD100 to Increase Authorization - August 2009		543,972		
BD100 to Increase Authorization - Sept 2009		102,566		
BD100 to Increase Authorization - Med Svc Provider Manual		20,000		
Total Earmarked Revenues + Fund Balance	<u>\$ 2,917,873</u>			

Amendment to Revenue is for 5% Budget Cut \$ 151,335

Account Description	Appropriation	Expenditure	Balance	% Expended
Personal Services	\$ 1,080,219	\$ 1,022,565	\$ 57,654	94.7%
Taxable Subsistence	80,000	69,398	10,602	86.7%
Other Operating Expenses	1,412,996	1,310,460	102,536	92.7%
Employer Contribution	344,658	322,447	22,211	93.6%
Total Earmarked	<u>\$ 2,917,873</u>	<u>\$ 2,724,870</u>	<u>\$ 193,003</u>	<u>93.4%</u>

COMPUTER FUNDS CARRIED FORWARD \$ 261,868

Computer Services - Carry forward	\$ 261,868	\$ 207,108	\$ 54,760	79.1%
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TOTAL OTHER APPROPRIATIONS	\$ 3,441,609	\$ 2,931,978	\$ 247,763	85.2%
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South Carolina Workers' Compensation Commission

2009 - 2010 Budget

June 30, 2010

General Appropriation

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date : 100%				
				Expended JUNE	Year to Date to Date	%	Encumb	Balance
Commissioners								
Salaries								
Chairman	\$ 115,567	\$ -	\$ 115,567	\$ 9,631	\$ 115,567	100%	\$ -	\$ -
Commissioner	664,602	-	664,602	55,383	664,602	100%	-	-
Classified Employees	290,075	-	290,075	24,173	290,075	100%	-	-
Total Commissioners	1,070,244	-	1,070,244	89,187	1,070,244	100%	-	-
Administration								
Salaries								
Director	\$ 92,342	\$ -	\$ 92,342	\$ 7,846	\$ 92,342	100%	\$ -	\$ -
Classified Positions	226,768	(13,259)	213,509	16,572	213,509	100%	-	-
Temporary Positions	-	4,690	4,690	4,680	4,680	100%	-	10
Total Administration	319,110	(8,569)	310,541	29,098	310,531	100%	-	10
Claims								
Salaries								
Classified Positions	\$ 161,668	\$ (29,441)	\$ 132,227	\$ 9,000	\$ 132,227	100%	\$ -	\$ -
Unclassified Positions	5,075	-	5,075	-	5,075	100%	-	-
Terminal Leave	11,040	-	11,040	-	11,040	100%	-	-
Total Claims	177,783	(29,441)	148,342	9,000	148,342	100%	-	-
Insurance and Medical Services								
Salaries								
Classified Positions	\$ 232,543	\$ (57,855)	\$ 174,688	\$ 9,018	\$ 174,688	100%	\$ -	\$ -
Total Ins and Medical Svcs	232,543	(57,855)	174,688	9,018	174,688	100%	-	-
Judicial								
Salaries								
Classified Positions	\$ 139,884	\$ (55,266)	\$ 84,618	\$ 5,155	\$ 84,618	100%	\$ -	\$ -
Total Judicial	139,884	(55,266)	84,618	5,155	84,618	100%	-	-
General Funds								
Department Totals								
Commissioners	\$ 1,070,244	\$ -	\$ 1,070,244	\$ 89,187	\$ 1,070,244	100%	\$ -	\$ -
Administration	319,110	(8,569)	310,541	29,098	310,531	100%	-	10
Claims	177,783	(29,441)	148,342	9,000	148,342	100%	-	-
Insurance & Medical	232,543	(57,855)	174,688	9,018	174,688	100%	-	-
Judicial	139,884	(55,266)	84,618	5,155	84,618	100%	-	-
Total Departmental Expend	\$ 1,939,564	\$ (151,131)	\$ 1,788,433	\$ 141,458	\$ 1,788,423	100%	\$ -	\$ 10
Employer Contributions	600,893	(73,330)	527,563	38,243	527,563	100%	-	-
Total General Fund Appropriations	\$ 2,540,457	\$ (224,461)	\$ 2,315,996	\$ 179,701	\$ 2,315,986	100%	\$ -	\$ 10

South Carolina Workers' Compensation Commission

2009 - 2010 Budget

June 30, 2010

Earmarked Funds

	Original Budget	Budget Amendments	Amended Budget	Expended JUNE	Year-To-Date : 100%							
					Year to Date	%	Encumb	Balance				
Commissioners												
Salaries												
Taxable Subsistence	\$ 80,000	\$ -	\$ 80,000	\$ 6,164	\$ 69,398	87%	\$ -	\$ 10,602				
Total Salaries	80,000	-	80,000	6,164	69,398	87%	-	10,602				
Other Operating Expenditures												
Contractual Services												
Office Equipment Service	-	700	700	-	496	71%	-	204				
Copying Equipment Service	-	200	200	-	135	68%	-	65				
Print/Bind/Advertisement	-	510	510	-	510	100%	-	-				
Print Pub Annual Reports	-	28	28	-	28	100%	-	-				
Data Processing Services	43,850	25,054	68,904	4,645	32,365	47%	-	36,539				
Freight Express Delivery	292	198	490	-	208	42%	-	282				
Telephone	2,503	1,997	4,500	844	4,898	109%	-	(398)				
Cellular Phone Service	5,847	6,153	12,000	1,571	10,751	90%	-	1,249				
Legal Services/Attorney Fees	91,832	68,168	160,000	19,176	170,410	107%	-	(10,410)				
Other Professional Services	292	580	872	126	727	83%	-	145				
Other Contractual Services	-	100	100	-	63	63%	-	37				
Total Contractual Services	144,616	103,688	248,304	26,362	220,591	89%	-	27,713				
Supplies & Materials												
Office Supplies	2,923	5,577	8,500	143	7,688	90%	-	812				
Copying Equipment	-	2,500	2,500	494	2,961	118%	-	(461)				
Printing	-	1,750	1,750	37	1,359	78%	-	391				
Photo & Visual Supplies	-	214	214	-	214	100%	-	-				
Data Processing Supplies	-	649	649	10	77	12%	-	572				
Postage	7,231	14,269	21,500	306	18,295	85%	-	3,205				
Communication Supplies	-	50	50	-	24	48%	-	26				
Maint/Janitorial Supplies	-	75	75	26	88	117%	-	(13)				
Gasonline	-	100	100	67	107	107%	-	(7)				
Other Supplies	-	975	975	-	231	24%	-	744				
Total Supplies & Materials	10,154	26,159	36,313	1,083	31,044	85%	-	5,269				
Fixed Charges												
Rental-Cont Rent Payment	2,670	2,130	4,800	740	4,902	102%	-	(102)				
Rent-Non State Owned Property	86,859	62,891	149,750	11,119	149,130	100%	-	620				
Rent-Other	139	111	250	-	213	85%	-	37				
Insurance-State	3,633	-	3,633	-	3,633	100%	-	-				
Insurance-Non State	-	169	169	-	169	100%	-	-				
Fees & Fines	-	50	50	-	50	100%	-	-				
Equipment Maintenance	-	1,000	1,000	-	575	58%	-	425				
Total Fixed Charges	93,301	66,351	159,652	11,859	158,672	99%	-	980				
Travel (Includes Leased Car)												
In State - Meals (Non-Reportable)	-	650	650	-	206	32%	-	444				
In State - Auto Mileage	4,172	5,828	10,000	471	9,072	91%	-	928				
In State - Subsistence Allowance	13,906	11,094	25,000	6,912	33,784	135%	-	(8,784)				
Out State - Meals	278	222	500	-	118	24%	-	382				
Out State - Auto Mileage	1,113	387	1,500	-	744	50%	-	756				
Leased Car	28,925	21,075	50,000	9,891	45,808	92%	-	4,192				
Total Travel	48,394	39,256	87,650	17,274	89,732	102%	-	(2,082)				
Total Other Operating Expenditures	296,465	235,454	531,919	56,578	500,039	94%	-	31,880				
Total Commissioners	\$ 376,465	\$ 235,454	\$ 611,919	\$ 62,742	\$ 569,437	93%	\$	\$ 42,482				

South Carolina Workers' Compensation Commission

2009 - 2010 Budget

June 30, 2010

Earmarked Funds

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date : 100%					
				Expended JUNE	Year to Date	%	Encumb	Balance	
Administration									
Salaries									
Classified Positions	\$ 181,081	\$ 13,260	\$ 194,341	\$ 18,043	\$ 193,888	100%	\$ -	\$ 453	
Temporary Employees	2,535	1	2,536	(2,536)	-	0%	-	2,536	
Terminal Leave	16,410		16,410		16,410	100%	-	-	
Total Salaries	200,026	13,261	213,287	15,507	210,298	99%	-	2,989	
Other Operating Expenditures									
Contractual Services									
Office Equipment Service	3,754	1,150	4,904	138	4,903	100%	-	1	
Copying Equipment Service	-	2,000	2,000	-	1,926	96%	-	74	
Print/Bind/Advertisement	6,071	(1,421)	4,650	-	3,721	80%	-	929	
Print Pub Annual Reports	-	22	22	-	22	100%	-	-	
Data Processing Services	68,435	92,985	161,420	14,494	167,420	104%	-	(6,000)	
Freight Express Delivery	14,000	1,500	15,500	127	15,476	100%	-	24	
Telephone	2,884	1,609	4,493	853	4,946	110%	-	(453)	
Cellular Phone Service	744	1,181	1,925	292	1,940	101%	-	(15)	
Education & Training Services	-	1,000	1,000	-	500	50%	-	500	
Attorney Fees	24,283	10,664	34,947	4,404	13,548	39%	-	21,399	
General Repair	-	230	230	230	230	100%	-	-	
Audit Acct Finance	100	-	100	-	99	99%	-	1	
Catered Meals	-	500	500	243	485	97%	-	15	
Other Professional Services	-	2,000	2,000	240	2,016	101%	-	(16)	
Other Contractual Services	445	-	445	-	445	100%	-	-	
Total Contractual Services	120,716	113,420	234,136	21,021	217,677	93%	-	16,459	
Supplies & Materials									
Office Supplies	15,177	(6,934)	8,243	198	7,591	92%	-	652	
Subscriptions	-	200	200	-	105	53%	-	95	
Copying Equipment	759	3,175	3,934	391	4,178	106%	-	(244)	
Printing	3,339	(1,375)	1,964	30	1,780	91%	-	184	
Data Processing Supplies	-	2,075	2,075	8	1,862	90%	-	213	
Postage	3,035	4,065	7,100	300	7,028	99%	-	72	
Maint/Janitorial Supplies	-	86	86	41	106	123%	-	(20)	
Motor Vehicle Supplies	-	12	12	12	12	100%	-	-	
Gasoline	-	36	36	36	36	100%	-	-	
Promotional Supplies	-	75	75	15	73	97%	-	2	
Employee Recog Award	-	564	564	33	597	106%	-	(33)	
Other Supplies	-	100	100	60	114	114%	-	(14)	
Total Supplies & Materials	22,310	2,079	24,389	1,124	23,482	96%	-	907	
Fixed Charges									
Rental-Copying Equipment	-	1,000	1,000	-	856	86%	-	144	
Rental-Cont Rent Payment	3,642	1,337	4,979	505	4,503	90%	-	476	
Rent-Non State Owned Property	75,108	31,993	107,101	7,195	105,327	98%	-	1,774	
Rent-Other	225	-	225	88	1,528	679%	-	(1,303)	
Insurance-State	7,490	-	7,490	-	7,490	100%	-	-	
Insurance-Non State	-	134	134	-	134	100%	-	-	
Dues and Memberships	-	3,985	3,985	-	3,985	100%	-	-	
Fees and Fines	-	25	25	-	25	100%	-	-	
Equipment Maintenance	-	1,000	1,000	-	863	86%	-	137	
Equipment Data (Non-Capitalized)	-	124	124	124	248	200%	-	(124)	
Sales Tax Paid	7,042	2,644	9,686	1,351	9,495	98%	-	191	
Total Fixed Charges	93,507	42,242	135,749	9,263	134,454	99%	-	1,295	655.49
Travel (Includes Leased Car)									
In State - Meals Non-Reportable	-	21	21	-	21	0%	-	-	
In State - Registration Fees	-	-	-	-	(11)	0%	-	11	
Leased Car	8,195	4,305	12,500	1,831	12,737	102%	-	(237)	
Total Travel	8,195	4,326	12,521	1,831	12,747	102%	-	(226)	
Total Other Operating Expenditures	244,728	162,067	406,795	33,239	388,360	95%	-	18,435	
Total Administration	\$ 444,754	\$ 175,328	\$ 620,082	\$ 48,746	\$ 598,658	97%	\$	\$ 21,424	

South Carolina Workers' Compensation Commission
2009 - 2010 Budget
June 30, 2010

Earmarked Funds

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date : 100%				
				Expended JUNE	Year to Date	%	Encumb	Balance
Claims								
Salaries								
Classified Positions	\$ 213,168	\$ 6,873	\$ 220,041	\$ 18,832	\$ 218,808	99%	\$ -	\$ 1,233
Temporary Positions	-	6,500	6,500	(320)	4,743	73%	-	1,757
Total Salaries	213,168	13,373	226,541	18,512	223,551	99%	-	2,990
Other Operating Expenditures								
Contractual Services								
Office Equipment Services	-	200	200	-	29	15%	-	171
Print / Bind / Adv	-	750	750	-	489	65%	-	261
Print Pub Annual Reports	-	22	22	-	22	100%	-	-
Data Processing Services	47,592	(5,472)	42,120	3,603	24,293	58%	-	17,827
Freight Express Delivery	500	-	500	-	301	60%	-	199
Telephone	-	3,000	3,000	450	2,587	86%	-	413
Temporary Services	-	13,000	13,000	3,014	14,081	108%	-	(1,081)
Other Professional Services	3,000	-	3,000	-	68	2%	-	2,932
Total Contractual Services	51,092	11,500	62,592	7,067	41,870	67%	-	20,722
Supplies & Materials								
Office Supplies	7,000	(3,087)	3,913	808	3,998	102%	-	(85)
Copying Equipment	-	2,000	2,000	391	2,344	117%	-	(344)
Printing	-	2,000	2,000	30	1,869	93%	-	131
Data Processing Supplies	-	75	75	33	43	57%	-	32
Postage	13,000	1,000	14,000	545	14,360	103%	-	(360)
Maint/Janitorial Supplies	-	50	50	21	72	144%	-	(22)
Other Supplies	-	100	100	-	37	37%	-	63
Total Supplies & Materials	20,000	2,138	22,138	1,828	22,723	103%	-	(585)
Fixed Charges								
Rental-Cont Rent Payment	2,500	-	2,500	394	1,851	74%	-	649
Rent-Non State Owned Property	73,750	-	73,750	5,560	73,354	99%	-	396
Rent-Other	225	-	225	-	213	95%	-	12
Insurance-State	1,080	-	1,080	-	1,080	100%	-	-
Insurance-Non State	-	134	134	-	134	100%	-	-
Equipment Maintenance	-	1,000	1,000	-	455	46%	-	545
Total Fixed Charges	77,555	1,134	78,689	5,954	77,087	98%	-	1,602
Travel (Includes Leased Car)								
In State - Meals (Non-Reportable)	-	300	300	25	244	81%	-	56
In State - Lodging	-	500	500	80	540	108%	-	(40)
In State - Auto Mileage	1,500	(900)	600	79	487	81%	-	113
Reportable Meals	-	100	100	13	85	85%	-	15
Leased Car	-	250	250	-	14	6%	-	236
Total Travel	1,500	250	1,750	197	1,370	78%	-	380
Equipment								
Copying Equipment	-	816	816	-	815	100%	-	1
Equipment - Copying	-	213	213	-	-	0%	-	213
Total Equipment	-	1,029	1,029	-	815	79%	-	214
Total Other Operating Expenditures	150,147	16,051	166,198	15,046	143,865	87%	-	22,333
Total Claims	\$ 363,315	\$ 29,424	\$ 392,739	\$ 33,558	\$ 367,416	94%	\$ -	\$ 25,323

South Carolina Workers' Compensation Commission

2009 - 2010 Budget

June 30, 2010

Earmarked Funds

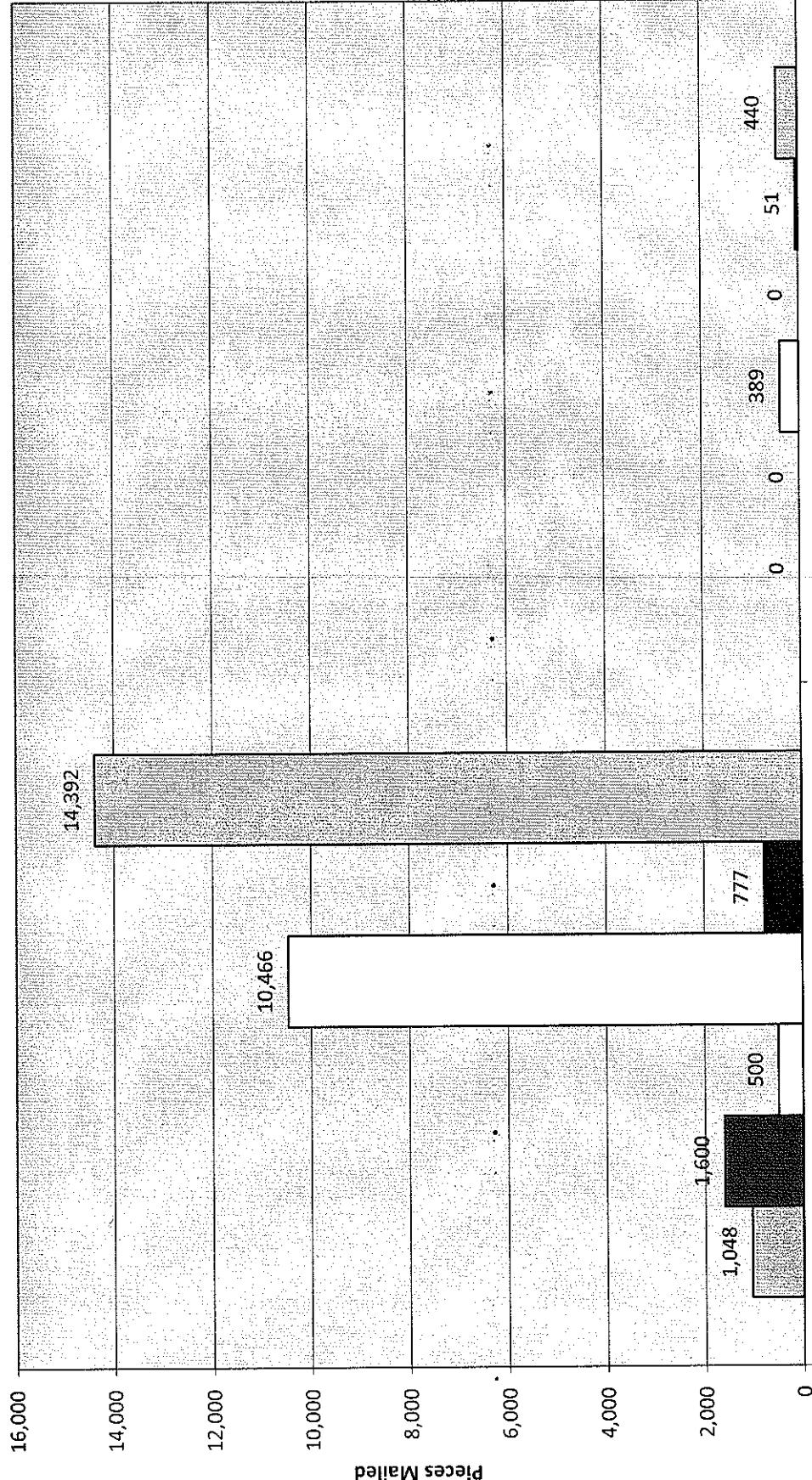
	Original Budget	Budget Amendments	Amended Budget	Year-To-Date : 100%				
				Expended JUNE	Year to Date	%	Encumb	Balance
Insurance and Medical Services								
Salaries								
Classified Positions	\$ 212,767	\$ 47,227	\$ 259,994	\$ 24,384	\$ 232,657	89%	\$ -	\$ 27,337
Temporary Employees	15,018	(5)	15,013	1,251	15,017	100%	-	(4)
Special Contractual Employee	25,560	26,124	51,684	4,174	48,611	94%	-	3,073
Terminal Leave Payout	-	5	5	-	5	100%	-	-
Total Salaries	253,345	73,351	326,696	29,809	296,290	91%	-	30,406
Other Operating Expenditures								
Contractual Services								
Office Equipment Service	-	200	200	-	32	16%	-	168
Copying Equipment Service	-	1,000	1,000	-	881	88%	-	119
Print/Bind/Advertisement	-	13,400	13,400	11,285	12,494	93%	-	906
Print Pub Annual Report	-	24	24	-	24	100%	-	-
Data Processing Services	49,952	(6,250)	43,702	7,390	47,096	108%	-	(3,394)
Telephone	2,750	(124)	2,626	719	2,994	114%	-	(368)
Legal Services	-	7,500	7,500	-	7,500	100%	-	-
Temporary Services	-	7,350	7,350	-	7,350	100%	-	-
Other Professional Services	250	2,137	2,387	275	1,580	66%	-	807
Other Contractual Services	-	3,200	3,200	2,525	2,635	82%	-	565
Total Contractual Services	52,952	28,437	81,389	22,194	82,586	101%	-	(1,197)
Supplies & Materials								
Office Supplies	7,000	(1,000)	6,000	1,739	4,765	79%	-	1,235
Copying Equipment	-	3,000	3,000	432	2,590	86%	-	410
Printing	-	1,500	1,500	33	945	63%	-	555
Data Processing Supplies	-	1,000	1,000	9	485	49%	-	515
Postage	12,500	25	12,525	3,534	9,585	77%	-	2,940
Maintenance/Janitorial Supplies	-	75	75	23	85	113%	-	(10)
Other Supplies	-	100	100	-	41	41%	-	59
Total Supplies & Materials	19,500	4,700	24,200	5,770	18,496	76%	-	5,704
Fixed Charges								
Rental-Cont Rent Payment	2,500	(396)	2,104	646	2,678	127%	-	(574)
Rent-Non State Owned Property	56,500	(100)	56,400	3,924	55,305	98%	-	1,095
Rent-Other	225	-	225	-	213	95%	-	12
Insurance-State	1,101	-	1,101	-	1,101	100%	-	-
Insurance-Non State	-	148	148	-	148	100%	-	-
Equipment Maintenance	-	942	942	-	503	53%	-	439
Sales Tax Paid	1,300	-	1,300	1,006	1,543	119%	-	(243)
Total Fixed Charges	61,626	594	62,220	5,576	61,491	99%	-	729
Travel (Includes Leased Car)								
In State - Meals (Non-Reportable)	-	100	100	25	112	112%	-	(12)
In State - Lodging	-	158	158	55	186	118%	-	(28)
Total Travel	-	258	258	80	298	116%	-	(40)
Equipment								
Copying Equipment	-	816	816	-	815	100%	-	1
Equipment Data Processing- Copyin	-	213	213	-	-	0%	-	213
Total Equipment	-	1,029	1,029	-	815	79%	-	214
Total Other Operating Expenditures	134,078	35,018	169,096	33,620	163,686	97%	-	5,410
Total Insurance and Medical Services	\$ 387,423	\$ 108,369	\$ 495,792	\$ 63,429	\$ 459,976	93%	\$ -	\$ 35,816

South Carolina Workers' Compensation Commission
2009 - 2010 Budget
June 30, 2010

Earmarked Funds

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date : 100%			
				Expended JUNE	Year to Date	%	Encumb
Judicial							
Salaries							
Classified Positions	\$ 238,021	\$ 75,380	\$ 313,401	\$ 26,570	\$ 292,132	93%	\$ - \$ 21,269
Terminal Leave	152	142	294	-	294	100%	- -
Total Salaries	238,173	75,522	313,695	26,570	292,426	93%	- - 21,269
Other Operating Expenditures							
Contractual Services							
Office Equipment Services	-	180	180	-	26	14%	- 154
Print/Bind/Advertisement	-	500	500	-	361	72%	- 139
Print Pub Annual Reports	-	20	20	-	20	100%	- -
Data Processing Services	43,923	(2,550)	41,373	3,402	22,305	54%	- 19,068
Freight Express Delivery	-	150	150	-	30	20%	- 120
Telephone	3,000	-	3,000	422	2,628	88%	- 372
Cellular Phone Service	1,225	-	1,225	187	1,211	99%	- 14
Other Professional Services	-	200	200	-	61	31%	- 139
Total Contractual Services	48,148	(1,500)	46,648	4,011	26,642	57%	- - 20,006
Supplies & Materials							
Office Supplies	7,000	(2,225)	4,775	144	4,489	94%	- 286
Copying Equipment	-	1,949	1,949	350	2,282	117%	- (333)
Printing	-	2,500	2,500	26	1,779	71%	- 721
Data Processing Supplies	-	75	75	7	16	21%	- 59
Postage	13,000	(420)	12,580	284	10,710	85%	- 1,870
Maintenance/Janitorial Supplies	-	50	50	19	64	128%	- (14)
Promotional Supplies	-	20	20	18	18	90%	- 2
Other Supplies	-	75	75	-	33	44%	- 42
Total Supplies & Materials	20,000	2,024	22,024	848	19,391	88%	- - 2,633
Fixed Charges							
Rental-Cont Rent Payment	1,750	-	1,750	67	825	47%	- 925
Rent-Non State Owned Property	63,750	-	63,750	4,906	62,624	98%	- 1,126
Rent-Other	225	-	225	-	213	95%	- 12
Insurance-State	1,121	-	1,121	-	1,121	100%	- -
Insurance-Non State	-	120	120	-	120	100%	- -
Total Fixed Charges	66,846	120	66,966	4,973	64,903	97%	- - 2,063
Travel (Includes Leased Car)							
In State - Meals / Non-Reportable	-	250	250	63	213	85%	- 37
Reportable Meals	-	100	100	141	223	223%	- (123)
In State - Lodging	-	400	400	240	565	141%	- (165)
In State - Auto Mileage	-	2,200	2,200	885	2,313	105%	- (113)
In State - Misc Travel Expense	-	100	100	98	98	98%	- 2
Out State - Auto Mileage	750	(450)	300	-	162	54%	- 138
Total Travel	750	2,600	3,350	1,427	3,574	107%	- - (224)
Total Other Operating Expenditures	135,744	3,244	138,988	11,259	114,510	82%	- - 24,478
Total Judicial	\$ 373,917	\$ 78,766	\$ 452,683	\$ 37,829	\$ 406,936	90%	\$ - \$ 45,747
Earmarked Funds							
Department Totals							
Commissioners	\$ 376,465	\$ 235,454	\$ 611,919	\$ 62,742	\$ 569,437	93%	\$ - \$ 42,482
Administration	444,754	175,328	620,082	48,746	598,658	97%	- 21,424
Claims	363,315	29,424	392,739	33,558	367,416	94%	- 25,323
Insurance & Medical	387,423	108,369	495,792	63,429	459,976	93%	- 35,816
Judicial	373,917	78,766	452,683	37,829	406,936	90%	- 45,747
Total Departmental Expend	\$ 1,945,874	\$ 627,341	\$ 2,573,215	\$ 246,304	\$ 2,402,423	93%	\$ - \$ 170,792
Employer Contributions	154,126	190,532	344,658	28,279	322,447	94%	- 22,211
Total Earmarked Funds	\$ 2,100,000	\$ 817,873	\$ 2,917,873	\$ 274,583	\$ 2,724,870	93%	\$ - \$ 193,003
Capital / Computer Project Carryforward	\$ 261,868	\$ -	\$ 261,868	\$ 3,037	\$ 207,108	79%	\$ - \$ 54,760

Mail Totals for June (General & Certified)



General Mail

Certified Mail

Administration Claims Commissioners Insurance & Medical Judicial Totals

WCC IT Projects Status Report

Period

Timing

#	Key Projects	ProjectS					Issues / Comments
		Sub Project	Regulation	Due Date	Completion	Lead	
1	WCC Closed File Scanning	Train Claims on verification		July 2010			
	2 Phase II - Progress EDI/eCase	TPA's - attached to claim not carrier code modifications		July 2010			
	eCase Enhancements	Additional status display and Attorney add feature		July 2010			
3	Phase II - Claims EDI			December 2010			
4a	Electronic Service Initiatives	Electronic Service Initiatives- Decision Orders	67-213	July 2010			
4b		Electronic Service Initiatives Hearing Notices	67-213	March 2010			
4c		Electronic Service Initiatives- Appeal Notices	67-213	July 2010			
4d		Electronic Service Initiatives IC Notices	67-213	July 2010			
4e		Electronic Service Initiatives Fine Orders Template	67-213	July 2010			
4f		Electronic Service Initiatives Administrative Orders Template	67-213	July 2010			
4g		Electronic Service Initiatives Consent Orders	67-213	September 2010	0%		

WCC IT Projects Status Report

Period		July	Status Key:	Not Started	Timing
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Projects						
#	Key Projects	Sub Project	Regulation	Due Date	Completion	Lead
4h		Electronic Service Initiatives Clinchers	67-213	September 2010	0%	
4i		Electronic Service Initiatives Fee Petitions	67-213	September 2010	0%	
4j		Electronic Service Initiatives - Receipt of electronic pleadings	67-211	January 2012	0%	
4k		Electronic receipt of any form or document	67-205	January 2012	0%	
4l		12 M Revamp of current Minor Medical Reporting from Carriers	67-412	January 2011	0%	

Administrative						
#	Project	Sub Project	Due Date	Completion %	Assigned to	Status
1	FY 2010/2011 IT Plan	Workstation lease and Software Assurance	6/30/2010	100%	Gary/Betsy	Order placed for new PCs for AAs and Laptops for Commissioners and IT
2	PC/laptop purchase				Betsy	PO placed, waiting on delivery date
3		Workflow with Onbase	TBD	0%	Gary/Betsy	New routing and data collection began.
4	Analysis of phones	Review messages and call metric needed	5/1/2010	100%	Ginger	

WCC IT Benchmarks and Metrics Worksheet

Period Ending: _____ **July**

#	Key Projects	Regulatory	Stage	Months	Weight%	% complete	Due Date	Actual Date	Assigned to	Issues / Comments
Totals		Total to complete		18	100%	100%				
2	WCC Closed File Scanning	Scan at WCC		14	45%	45%	7/1/2010		File room	April 2009 thru June 2010
		Verify Images		3	45%	10%	7/1/2010			Process developed and in testing with Claims - working on June 2010
		Hold for Iron Mountain		0	10%	0%				
		Total to complete		17	100%	53%				
3	Phase II - Progress EDI/eCase	eCase								
		Attorneys		33%	33%	11/1/2009	11/1/2009	Duane	implemented	
		Carriers		33%	33%	11/1/2009	11/1/2009	Duane	implemented	
		TPA		33%	0%	9/30/2010		Duane	developing Requirements for Bravepoint to	
		Total		100%	33%					
		Enhancements - Status dates			100%	100%				
		Enhancement - Attorney Add			100%	25%	8/30/2010	7/1/2010	Duane	Implemented - Great feedback
		Total			100%	25%				
5	Phase II - Claims EDI		Rollout list	Dec-10	0%	0%				
		Total			0%	0%				
6a	Electronic Service Initiatives- Decision Orders	67-213	Electronic Decision Order	Huffstetter Williams Roche Beck Wilkerson Barden Lyndon	14% 14% 14% 14% 14% 14% 14%	14% 14% 14% 14% 14% 14% 14%	1/25/2010 2/25/2010 4/1/2010 4/30/2010 5/1/2010 6/30/2010 6/30/2010	1/25/2010 3/23/2010 4/5/2010 4/12/2010 6/3/2010 6/30/2010 6/30/2010	Amanda	deploy one carrier at a time. Need roll out list and implementation steps.
			Office							
6b	Electronic Service Initiatives Hearing Notices	67-213	Electronic Hearing Notices	Williams Huffstetter Roche Beck Wilkerson Bardon Lyndon	13.5% 13.5% 13.5% 13.5% 13.5% 13.5% 13.5%	13.5% 13.5% 13.5% 13.5% 13.5% 13.5% 13.5%	7/1/2010 7/1/2010 7/1/2010 7/1/2010 7/1/2010 7/1/2010 7/1/2010	2/23/2010 1/25/2010 2/18/2010 1/29/2010 2/23/2010 2/17/2010 2/3/2010		
			Office							
		Total			100%	100%				

WCC IT Benchmarks and Metrics Worksheet

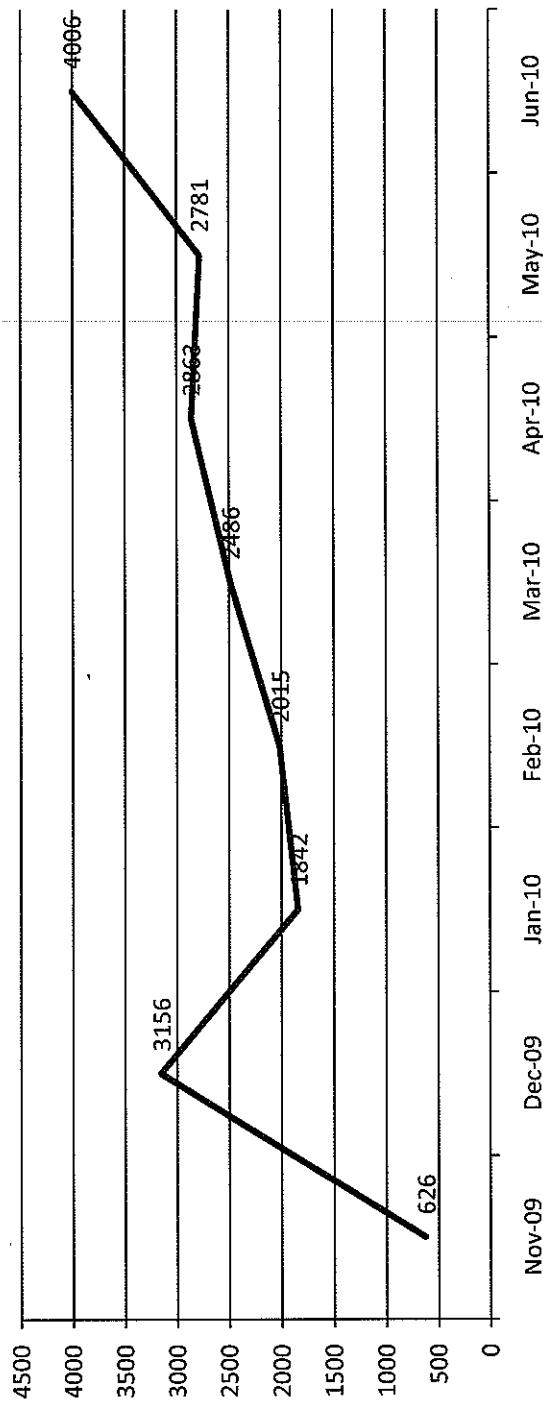
Period Ending: July

#	Key Projects	Regulatory	Stage	Months	Weight%	% complete	Due Date	Actual Date	Assigned to	Issues / Comments
6b	Electronic Service Initiatives- 6b Appeal Notices	67-213	Review Process	began 4/7/10	25%	25%	8/30/2010	6/30/2010	Amanda Duane	Notices printed in batch; different process from
			Revise Template		25%	25%	8/30/2010	6/30/2010	BravePoint	hearing notices. More complex programming
			Development - Bravepoint		25%	0%	8/30/2010			Coding began in July
			Training / Implementation		25%	0%	8/30/2010			
Total 6b					100%	50%				
6b	IC Notices	67-213	Review Process		25%	25%	8/30/2010		Amanda	Notices printed in batch; different process from
			Revise Template		25%	25%	8/30/2010		Duane	hearing notices. More complex programming
			Development - Bravepoint		25%	0%			Amanda	required
			Training / Implementation		25%	0%			Amanda	required
Total 6b					100%	50%				
6c	Electronic Service Initiatives 6c Fire Orders Template	67-213	Develop Template		50%	25%	8/30/2010			Revised Template Drafted
			Training / Implementation		50%	25%				
Total 6c					100%	25%				
6d	Electronic Service Initiatives 6d Administrative Orders Template	67-213	Develop Template		50%	25%				Revised Template Drafted
			Training / Implementation		50%	25%				
Total 6d					100%	25%				
6e	Consent Orders	67-213	Procure pdf software		10%		7/15/2010		Betsy/Amanda	per Gary, move forward w/pdf software
			Develop Process		40%		8/30/2010		Amanda	4/7/10
			Training / Implementation		7%					Receive PDF, need to sign and send out as
			Huffstetter							
			Williams		7%					
			Roche		7%					
			Beck		7%					
			Wilkerson		7%					
			Bardon		7%					
			Lyndon		7%					
Total 6e					100%	0%				
6f	Electronic Service Initiatives 6f Clinchers	67-213	Clinchers		0%					similar to CO process
			Totals							
6g	Fee Petitions	67-213	Fee Petitions		0%					
6h	Electronic Service Initiatives - 6h Receipt of electronic pleadings	67-211	Hearing requests 50, 52, 54, 21, 15.III, 30 Responses to Pleadings 51,		100%					SFTP? Then automate import into OnBase?
			53, 55							
Total 6h					100%	0%				
6i	Electronic receipt of any form or document	67-205			0%					SFTP? Then automate import into OnBase?
Total 6i					100%	0%				

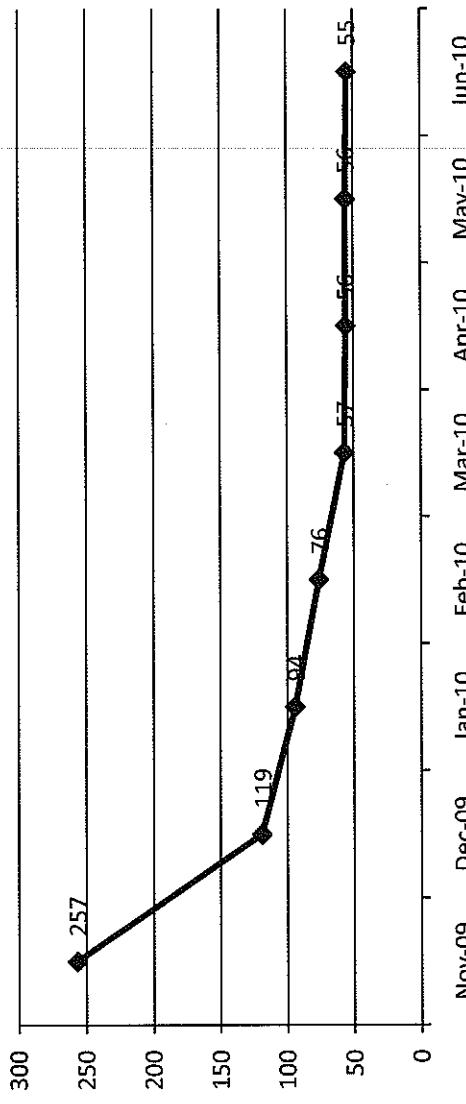
WCC IT Benchmarks and Metrics Worksheet

Period Ending: _____

eCase Queries Generated



eCase Registered Users



CLAIMS DEPARTMENT REPORT						
STATISTICS FOR FISCAL YEAR 12009-2010						
Prepared June 7, 2010						
I. Claims Services Division						
	July	August	Sept	Oct	Nov	Dec
Forms 15 for TITIP	2,165	2,218	2,204	1,979	1,829	1,742
Forms 16 for PPI/Disf	68	496	376	250	335	367
Forms 18	4,099	4,958	4,596	5,304	3,930	4,690
Forms 20	1,257	1,356	1,069	1,306	1,133	1,146
Form 50 Claims Only	277	290	235	274	295	160
Form 61	811	815	713	798	716	764
Letters of Rep	161	249	235	249	423	503
Clinchers	860	903	778	943	743	871
Third Party Settlements	20	18	15	13	13	14
SSA Requests for Info	127	111	125	123	84	114
Cases Closed	2,141	2,213	2,275	2,780	2,201	2,300
Cases Reviewed	2,192	2,016	2,186	2,087	2,163	2,017

CLAIMS DEPARTMENT REPORT										
STATISTICS FOR FISCAL YEAR 2009-2010										
Prepared June 7, 2010										
II. Fines Assessed by Claims Department										
	July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	April
Number Assessed	317	828	211	573	134	544	126	1,644	1,618	1,669
Number Rescinded	133	64	88	46	98	67	68	166	323	283
Number Reduced	21	22	19	12	31	16	12	19	52	47
Number Paid	498	531	478	304	266	279	331	521	1,015	749
Number Outstanding	1,856	2,089	1,634	1,857	1,627	1,825	1,552	2,167	2,447	3,084
Total Amt. Assessed	\$77,100	\$156,600	\$54,350	\$119,600	\$43,150	\$117,800	\$31,800	\$355,550	\$336,100	\$352,300
Total Amt. Rescinded	\$27,636	\$15,050	\$18,550	\$10,000	\$19,000	\$13,200	\$15,850	\$31,070	\$62,075	\$57,750
Total Amt. Reduced	\$2,750	\$3,950	\$1,700	\$1,300	\$4,800	\$3,550	\$3,275	\$3,100	\$5,750	\$4,750
Total Amt. Paid	\$100,383	\$119,853	\$100,026	\$66,545	\$61,627	\$54,390	\$66,200	\$103,600	\$203,410	\$159,375
Total Outstanding	\$341,419	\$359,166	\$293,240	\$334,995	\$292,718	\$339,378	\$285,853	\$492,483	\$557,348	\$687,773
**June collected figure includes payments 6/12/2010 through 6/30/2010										

**June collected figure includes payments 6/12/2010 through 6/30/2010

SCWCC Judicial Report



June 2010

SCWCC Judicial Report

District 1 (Greenville)

Month	Cases Assisted	Heretries Held	D&O Serviced	Form 16's Approved	Orders Served	Administr. Cases Served	Chincher Count Approved	Chincher Count Disapproved	Chincher Count Disapproved
Jul-09	Huffstetter	113	16	15	4	32	13	1	
Aug-09	Huffstetter	91	15	15	4	28	17	2	
Sep-09	Barden	105	20	19	2	49	15	1	
Oct-09	Barden	125	33	18	2	49	20	0	
Nov-09	Beck	112	12	9	5	30	10	1	
Dec-09	Beck	113	17	17	7	39	12	2	
Jan-10	Wilkerson	115	23	12	5	28	24	0	
Feb-10	Wilkerson	95	28	23	3	54	13	0	
Mar-10	Lyndon	118	27	29	7	42	17	0	
Apr-10	Lyndon	108	30	23	11	38	14	1	
May-10	Huffstetter	104	22	10	6	25	12	1	
Jun-10									
Totals	FY 2009-2010	1199	243	190	56	414	167	9	

District 2 (Anderson)

Month	Cases Assisted	Heretries Held	D&O Serviced	Form 16's Approved	Orders Served	Administr. Cases Served	Chincher Count Approved	Chincher Count Disapproved	Chincher Count Disapproved
Jul-09	Barden	102	19	25	4	46	11	0	
Aug-09	Barden	68	24	26	1	47	19	4	
Sep-09	Beck	73	14	30	11	54	13	0	
Oct-09	Beck	86	11	22	4	40	17	2	
Nov-09	Lyndon	91	21	32	8	42	11	1	
Dec-09	Lyndon	132	31	29	9	46	11	1	
Jan-10	Williams	94	28	13	3	44	11	0	
Feb-10	Williams	111	40	23	3	44	8	0	
Mar-10	Huffstetter	87	17	17	6	45	9	2	
Apr-10	Huffstetter	81	12	13	6	18	15	2	
May-10	Wilkerson	89	13	22	0	43	16	0	
Jun-10									
Totals	FY 2009-2010	1014	230	252	55	469	141	12	

SCWCC Judicial Report

District 3 (Orangeburg)

Month	Commissioner	Cases Assisted	Heartbleed D&O Served	Form 16's Approved	Administr. Orders Served	Clinical Ct Apprroved	Clinical Ct Servred	Clinical Ct Disapproved	Clinical Ct Cont.
Jul-09	Wilkerson	105	15	26	4	40	6	0	0
Aug-09	Wilkerson	73	23	26	0	34	16	0	0
Sep-09	Huffstetler	101	29	10	4	52	14	0	0
Oct-09	Huffstetler	126	22	28	4	72	15	0	0
Nov-09	Williams	108	29	27	5	55	6	0	0
Dec-09	Williams	109	20	26	4	50	15	0	0
Jan-10	Lyndon	125	21	23	7	48	9	0	0
Feb-10	Lyndon	127	37	36	5	42	16	0	0
Mar-10	Roche	113	16	32	0	69	10	0	0
Apr-10	Roche	89	17	15	0	21	19	0	0
May-10	Barden	134	21	27	0	53	7	0	0
Jun-10									
Totals	FY 2009-2010	1210	250	276	33	536	133	0	

District 4 (Charleston)

Month	Commissioner	Cases Assisted	Heartbleed D&O Served	Form 16's Approved	Administr. Orders Served	Clinical Ct Apprroved	Clinical Ct Servred	Clinical Ct Disapproved	Clinical Ct Cont.
Jul-09	Williams	199	41	20	4	59	13	0	0
Aug-09	Williams	95	39	26	5	44	14	0	0
Sep-09	Roche	143	15	21	10	33	11	0	0
Oct-09	Roche	150	25	22	2	80	9	1	0
Nov-09	Wilkerson	179	24	22	6	45	12	0	0
Dec-09	Wilkerson	141	28	30	6	74	10	0	0
Jan-10	Beck	136	17	6	6	30	4	1	0
Feb-10	Beck	158	25	15	5	56	15	2	0
Mar-10	Williams	143	40	34	0	55	18	0	0
Apr-10	Williams	131	37	27	0	63	11	2	0
May-10	Roche	129	27	10	0	47	9	0	0
Jun-10									
Totals	FY 2009-2010	1604	318	233	44	586	126	6	

SCWCC Judicial Report

District 5 (Florence)

Month	Commissioner	Cases Assisted	Heartings Held	Form 16's Approved	Orders Served	Administr. Serviced	Clinic/hr. Cont'd Approved	Clinic/hr. Cont'd DispApproved
Jul-09	Roche	156	26	17	3	41	17	0
Aug-09	Roche	99	25	7	0	19	22	0
Sep-09	Lyndon	107	41	27	7	38	18	1
Oct-09	Lyndon	162	30	33	7	41	14	1
Nov-09	Barden	112	22	32	7	57	3	3
Dec-09	Barden	120	21	17	0	35	10	3
Jan-10	Huffstetler	138	23	27	6	69	14	4
Feb-10	Huffstetler	132	18	20	6	52	17	1
Mar-10	Wilkerson	133	19	27	3	64	17	0
Apr-10	Wilkerson	104	23	24	2	41	22	0
May-10	Beck	88	8	16	5	58	20	0
Jun-10								
Totals FY 2009-2010		1351	256	247	46	515	174	13

District 6 (Spartanburg)

Month	Commissioner	Cases Assisted	Heartings Held	Form 16's Approved	Orders Served	Administr. Serviced	Clinic/hr. Cont'd Approved	Clinic/hr. Cont'd DispApproved
Jul-09	Lyndon	140	32	21	7	42	27	0
Aug-09	Lyndon	99	23	26	7	39	24	1
Sep-09	Williams	162	41	29	3	48	20	2
Oct-09	Williams	129	19	21	6	32	16	0
Nov-09	Roche	138	20	14	0	39	16	0
Dec-09	Roche	127	19	20	1	28	11	0
Jan-10	Barden	119	19	18	4	56	4	1
Feb-10	Barden	119	23	19	3	42	26	1
Mar-10	Beck	98	13	32	3	73	15	1
Apr-10	Beck	72	16	16	5	28	23	3
May-10	Williams	95	23	37	0	55	8	0
Jun-10								
Totals FY 2009-2010		1298	248	253	39	482	190	9

SCWCC Judicial Report

District 7 (Richland)

Month	Commissioneer Cases Ass'tigned Hearings Held DkO Served Form 16's Adminin. Order's Serv'd Apprroved Clnicler Cont'ee Disapprove'd Clnicler Cont'ee Dispapprove'd											
	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10
Totals FY 2009-2010	1581	297	206	40	471	185	12					

Pleadings Filed

Month	Form 15 Forms 50, 54, 55, 57, 59, Sect. III Form 21 Form 40 Motions Chimicher Cont're Requests Cont're Mediations Form 30 FC Orders Requested FC Orders Served											
	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10
Totals FY 2009-2010	7741	6590	41	3778	629	415	969	1281	5626	449	557	334

State of South Carolina

1333 Main Street, 5th Floor
P.O. Box 1715
Columbia, S.C. 29202-1715



TEL: (803) 737-5700
FAX: (803) 737-5764

Workers' Compensation Commission

Executive Director's Report

July 19, 2010

Fines and Assessments Aging Report

The attached Fines and Assessments Aging Report reflects the number and amount of fines assessed for the 12 month period in FY 2009-10.

SC Bar Continuing Education Legal Division

On June 25th the SC Bar sponsored a continuing education workshop celebrating the 75th anniversary of the SC Workers' Compensation Commission. Chairman Roche and Commissioners Beck, Wilkerson, and Williams participated in a panel discussion, "Recent Developments at the SC Workers' Compensation Commission" and the Executive Director participated in a panel discussion, "Challenges, Opportunities, and Solutions in the Current Economic Climate."

Personnel Recruitment

Administrative Coordinator (Executive Director) Kandee Johnson transferred to the Compliance Officer's position in Insurance and Medical Services Division July 2nd. We received 121 applications for the Administrative Coordinator's position. Five candidates meeting the desired qualifications and experience were interviewed. A final decision is pending.

Human Resource Manager II (Administration) We received 124 applications for the Human Resource Manager II position in the Administration Division. Six candidates possessing the desired qualifications and experience were interviewed. A final decision is pending.

Administrative Specialist II (Claims) The position recruitment notice has been posted on the SC Office of Human Resources website <http://www.jobs.sc.gov>. The closing date for accepting applications is July 16th.

Executive Assistant II (Executive Director) The position became vacant on June 25. The Commission voted at the June 17th Business Meeting to not fill the vacant position.

Constituent Services/Public Information

In the absence of the Executive Assistant constituent services/public information function has been assumed by the Executive Director. During the previous 30 days we conducted 2 meetings and 20 telephone communications with claimants, had 6 telephone contacts and prepared 2 written responses to legislators, prepared 1 written response and 5 telephone contacts responding to information requests from the Legislative Audit Council, responded to 2 telephone inquiries from the news media, and made 10 telephone contacts with other state agencies' personnel and conducted 1 meeting with a service provider.

Page	Count	Judge	July	August	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June
Coverage	\$ 101,115	\$ 141,670	\$ 111,135	\$ 107,190	\$ 118,490	\$ 108,525	\$ 92,935	\$ 172,445	\$ 117,064	\$ 33,057	\$ 77,857	\$ 117,770		
Division Total	\$ 530	627	515	496	553	507	435	838	566	136	360	568		
Count	\$ 22,815	\$ 54,570	\$ 35,135	\$ 34,790	\$ 34,890	\$ 32,925	\$ 31,735	\$ 26,445	\$ 24,355	\$ 20,755	\$ 32,257	\$ 15,370		
> 91 Days	\$ 137	191	135	134	135	129	129	108	102	74	132	56		
Count	\$ 13,600	\$ 6,500	\$ 6,800	\$ 6,000	\$ 4,200	\$ 11,200	\$ 11,800	\$ 4,200	\$ 3000	\$ 12,302	\$ -	\$ -		
61-90 Days	\$ 69	33	34	30	21	56	59	21	15	62	0	0		
31-60 Days	\$ 16,900	\$ 25,000	\$ 23,000	\$ 17,600	\$ 24,600	\$ 23,600	\$ 13,800	\$ 18,000	\$ 89,709	\$ -	\$ -	\$ 38,000		
Count	\$ 85	125	115	88	123	118	69	90	449	0	0	0		
< 30 days	\$ 47,800	\$ 55,600	\$ 46,200	\$ 48,800	\$ 54,800	\$ 40,800	\$ 35,600	\$ 123,800	\$ -	\$ -	\$ 45,600	\$ 64,400		
Count	\$ 239	278	231	244	274	204	204	178	619	0	0	228		
Of Fines Over 90 Days Old														
Orders														
Count														
Judgments														
Count														

Judicial	July	August	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June
Division Total	\$ 6,933	\$ 6,316	\$ 16,647	\$ 15,670	\$ 12,529	\$ 12,947	\$ 11,002	\$ 10,870	\$ 8,880	\$ 10,782	\$ 13,396	\$ 15,473
Count	11	10	61	53	38	41	33	32	25	28	36	34
> 91 Days	\$ 6,150	\$ 5,533	\$ 5,533	\$ 6,316	\$ 9,107	\$ 8,721	\$ 9,007	\$ 7,734	\$ 7,548	\$ 8,107	\$ 8,507	
Count	10	9	9	9	10	20	20	22	18	17	20	23
61-90 Days	\$ 783	\$ -	\$ -	\$ 783	\$ 4,036	\$ 945	\$ 659	\$ 186	\$ 0	\$ 559	\$ 586	\$ 2,089
Count	1	0	0	1	16	5	4	1	0	3	4	4
31-60 Days	\$ -	\$ -	\$ -	\$ 783	\$ 6,917	\$ 1,132	\$ 1,218	\$ 1,118	\$ 0	\$ 559	\$ 586	\$ 2,089
Count	0	0	1	30	6	7	6	0	3	4	4	3
< 30 days	\$ 783	\$ 10,330	\$ 2,436	\$ 1,045	\$ 1,677	\$ 505	\$ 1,677	\$ 586	\$ 2,089	\$ 2,613	\$ 3,643	
Count	1	51	13	6	9	3	9	4	4	8	4	

Fines Collected Years 2007, 2008, 2009, 2010

	Jan	Feb	March	April	May	June	July	August	Sept	Oct	Nov	Dec
2007	21,620	34,891	36,520	35,339	45,785	36,760	46,555	68,018	49,261	58,934	45,203	40,261
2008	48,613	38,805	45,167	34,710	40,525	79,055	67,769	51,195	65,230	59,817	37,309	39,583
2009	37,080	44,750	35,960	49,842	93,182	65,351	100,383	119,853	100,026	66,565	61,627	54,390
2010	66,200	103,600	203,410	159,375	218,150	86,500						

** June collected figure includes payments 6/12/2010 through 6/30/2010***

TO: Gary M. Cannon, Executive Director
FROM: Gregory S. Line
Director of Claims
DATE: July 14, 2010
RE: Claims
Outstanding fine status

Below is a list of twenty seven carriers that were sent a Second and Final Notice of fines Assessment on January 4, 2010.

1. Travelers Casualty & Ins. Co.	
a. Beginning bal	\$ 13,172.66
b. Bal as of 7/14/10	\$ 1,800.00
2. State Farm First & Casualty	
a. Beginning bal	\$ 4,000.00
b. Bal as of 7/14/10	\$ 600.00
3. Valley Forge Ins. Co.	
a. Beginning bal	\$ 300.00
b. Bal as of 7/14/10	\$ 100.00
4. Sentry Select Ins. Co.	
a. Beginning bal	\$ 510.00
b. Bal as of 7/14/10	\$ 510.00
5. Sentry Insurance A Mutual Co.	
a. Beginning bal	\$ 7,025.00
b. Bal as of 7/14/10	\$ 710.00
6. American States Ins. Co.	
a. Beginning bal	\$ 1,295.00
b. Bal as of 7/14/10	\$ 895.00
7. PA Manufacturers Assn. Ins. Co.	
a. Beginning bal	\$ 800.00
b. Bal as of 7/14/10	\$ 200.00
8. Farmington Casualty Co.	
a. Beginning bal	\$ 1,200.00
b. Bal as of 7/14/10	\$ 400.00
9. Midwest Employers Casualty Co.	
a. Beginning bal	\$ 900.00
b. Bal as of 7/14/10	\$ 700.00
10. Rollins, Inc.	
a. Beginning bal	\$ 500.00
b. Bal as of 7/14/10	\$ 500.00
11. Premier Group Ins. Co.	
a. Beginning bal	\$ 900.00
b. Bal as of 7/14/10	\$ 200.00

TO: Gary M. Cannon, Executive Director
FROM: Gregory S. Line
DATE: July 14, 2010
RE: Claims
Outstanding Fines Status

Below is the status of the nine groups of carriers with 48 companies that were sent a Second and Final Notice of fines Assessment on July 24, 2009.

1. Insurance Company of North America
 - a. Beginning bal \$ 28, 580
 - b. Bal as of 7/14/10 \$ 300
2. AIG
 - a. Beginning bal \$ 56,431
 - b. Bal as of 7/14/10 \$ 2,800
3. Federal Insurance Company
 - a. Beginning bal \$ 4,500
 - b. Bal as of 7/14/10 \$ 1,500
4. Liberty Mutual Group
 - a. Beginning bal \$ 22,750
 - b. Bal as of 7/14/10 \$ 200
5. Travelers Property & Casualty Company
 - a. Beginning Bal \$ 4,160
 - b. Bal as of 7/14/10 \$ 200
- 6.. American Casualty Co. of Rdg PA
 - a. Beginning Bal \$ 5,160
 - b. Bal as of 7/14/10 \$ 725
7. Twin City Fire Insurance Co.
 - a. Beginning Bal \$ 18,315
 - b. Bal as of 7//1 10 \$ 900

TO: Gary M. Cannon, Executive

FROM: Gregory S. Line
Director of Claims

DATE: July 14, 2010

RE: Claims
Outstanding Fines Status

Below is a list of nineteen carriers that were sent a Second and Final Notice of fines Assessment on October 30, 2009

1. Zurich American Ins. Co.
 - a. Beginning bal \$ 29,167.66
 - b. Bal as of 7/14/10 \$ **100.00**
2. Chubb Indemnity Ins. Co.
 - a. Beginning bal \$ 2,086.33
 - b. Bal as of 7/14/10 \$ **1,000.00**
3. Peerless Ins. Co.
 - a. Beginning bal \$ 3,900.00
 - b. Bal as of 7/14/10 \$ **200.00**
4. OneBeacon Ins. Co.
 - a. Beginning bal \$ 3,000.00
 - b. Bal as of 7/14/10 \$ **900.00**
5. Virginia Surety Company
 - a. Beginning bal \$ 2,025.00
 - b. Bal as of 7/14/10 \$ **1,225.00**

The dollar amount of fines assessed for each form, for the month of June, and fines collected for each form from June 12 – June 30..

The number of fines assessed and collected, for each form, are in parenthesis.

	<u>Assessed</u>		<u>Collected</u>	
Form 12A -	\$ 9,000.00	(45)	\$ 5,900.00	(33)
Form 15 Section I -	\$ 9,600.00	(45)	\$ 3,600.00	(19)
Form 15 Section II -	\$ 4,200.00	(21)	\$ 1,200.00	(6)
Form 15 S -	\$ 1,000.00	(5)	\$ 0	(0)
Form 17 -	\$ 400.00	(2)	\$ 1,000.00	(5)
Form 18 -	\$ 145,200.00	(686)	\$ 71,500.00	(323)
Form 19 -	\$ 350.00	(7)	\$ 100.00	(2)
Denial letter -	\$ 1,400.00	(7)	\$ 1,200.00	(6)
Failure to respond -	4,800.00	(24)	\$ 1,600.00	(9)
Failure to pay Orig fine	0		\$ 100.00	(1)
Form 20	0		\$ 100.00	(1)
Form 51	0		\$ 200.00	(2)
 TOTAL -	 \$ 175,950	(842)	 \$ 86,500	(407)

Fine Report for February, March, April, May and June 2010

	Feb	March	April	May	June
Total Amt assessed	\$ 359,450	\$ 335,710	\$352,300	\$250,400	175,950
Total # fines assess	1,750	1,658	1,669	1,246	842
Total amt collected	\$ 103,800	\$ 203,410	\$ 159,375	\$218,150 **	\$86,500 ***
<u>Total fines collected</u>	<u>513</u>	<u>1,045</u>	<u>749</u>	<u>1,081</u>	<u>407</u>

Form 18's

Amt fines assess daily	\$339,200	\$308,400	\$284,500	\$206,400	\$131,4200
Amt fines assessed file review	\$ 5,200	\$ 4,400	\$24,400	\$ 9,600	\$13,800
<u>Total amount Assessed</u>	<u>\$344,400</u>	<u>\$304,000</u>	<u>\$308,900</u>	<u>\$216,000</u>	<u>\$145,200</u>

# fines assess daily	1,667	1,518	1,412	1,053	772
# fines assess file review	8	6	31	16	70
<u>Total fines assessed</u>	<u>1,675</u>	<u>1,524</u>	<u>1443</u>	<u>1,069</u>	<u>842</u>

Amt collected	\$ 80,200	\$ 176,100	\$ 141,050	\$185,900 **	\$145,200 ***
# fines collected	364	841	644	894 **	686

All other fines assessed

(Form 12-A, Form 15, Form 17, Form 19, denial letter, Form 20, failure to respond)

Total amt assessed	\$ 15,050	\$ 27,310	\$ 43,400	\$33,000	\$30,750
# fines assessed	75	135	226	177	156
Total amt paid	\$ 23,600	\$ 27,310	\$ 18,325	\$32,250 **	\$15,000 ***
# fines collected	149	204	105	187 **	84 ***

Figures with a double asterisk are fines collected May 1 through June 11

Figures with a triple asterisk are fines collected June 12 through June 30

TO: Gary M. Cannon, Executive Director

FROM: Al McCutcheon

DATE: July 14, 2010

RE: Outstanding Fines Status

The following is the requested status of outstanding fines in the Compliance and Coverage Divisions of the Insurance and Medical Services Department:

Compliance

There are two categories for Compliance fines: cases with underlying claims; and cases without underlying claims. Cases with underlying claims are those cases in which a claim has been filed but there is no record of the employer having coverage. Cases with no underlying claims are the cases where employers are discovered to have no coverage through the search of the Employment Security Commission records or a random coverage check.

The procedure for collection of fines is as follows:

1. Employers suspected of not having insurance are sent a letter requesting verification they have coverage and are given 14 days to respond. Failure to respond and to immediately acquire insurance will result in fines being assessed at \$1.00 per day for each employee, a minimum of \$10.00 per day and a maximum of \$100.00 per day.

Nine violation letters were issued during the month of June.

2. For cases without an underlying claim, if the employer immediately comes into compliance after the initial notification, the assessed fine is \$750 for 10 or less employees and \$1,000 for 11-20 employees.

Ten compliance agreements were received during the month of June.

3. If there is no response and we can prove the employer is subject to the Workers' Compensation Act, the Compliance Division subpoenas the employer to an Order and Rule to Show Cause hearing. These hearings are scheduled every 30 days.

Fourteen subpoenas were issued in June. The next Order and Rule to Show Cause hearing is scheduled for July 30, 2010.

4. Along with the subpoena, the employer is provided a letter offering the opportunity to settle in lieu of attending the hearing. However, if the employer does not settle, and the employer is found to be subject to the Act at the hearing, an order is issued finding the employer in violation of the Act. In most instances, the order stipulates maximum fines and penalties. Orders are issued within 30 days after the hearing.

Six orders resulting from the May 24, 2010 Order and Rule to Show Cause hearing were published in June.

5. If there is no response to the order, a civil judgment is filed within 45 days.

No civil judgments were filed during the month of June.

6. Further contact with the employer (telephone and letter) is attempted by the Director of Compliance. If the employer remains willfully uninsured, the Director of Compliance files a criminal complaint with the jurisdictional magistrate. This new procedure for the Department has yet to be finalized with legal counsel.

Coverage

There are three types of fines assessed on carriers by the Coverage Division:

- A. Late filing for policies not received within 30 days of the policies' effective date.
- B. Failure of the carrier to provide a FEIN on the policy.
- C. 12M Minor Medical Fines

In January - March 2010, approximately 200 carriers were sent a final notice on fines over 90 days old. Carriers were advised that failure to pay outstanding fines would result in a subpoena being issued requiring attendance at an Order and Rule to Show Cause Hearing. Initially, these carriers owed \$207,375 in fines over 90 days old. This total has been reduced to \$42,618 as of July 14, 2010.

State of South Carolina

1333 Main Street, 5th Floor
P.O. Box 1715
Columbia, S.C. 29202-1715



TEL: (803) 737-5700
FAX: (803) 737-5764

Workers' Compensation Commission

July 13, 2010

The Honorable T. Scott Beck
Chairman
SC Workers' Compensation Commission
1333 Main Street
Columbia, SC 29202

RE: Medical Services Provider Manual Advisory Committee Report

Dear Chairman Beck:

On behalf of the Medical Services Provider Manual Advisory Committee I am pleased to provide you with the Committee's final report. The committee met four times between March 1 and June 30 to discuss the task assigned by the Commission, review and analyze data, deliberate respective positions and adopt recommendations contained in the attached report.

I would like to thank each member of the committee for their participation and their ability to honestly and openly discuss the various viewpoints on each of the issues and finalize the recommendations within the requested timeframe.

I look forward to presenting our findings and recommendations at the Commission Business Meeting on July 19, 2010.

Sincerely,

Mark Arden, Esq.
Chairman

**Report of the SC Workers' Compensation Commission
Medical Services Provider Manual
Advisory Committee**
July 1, 2010

At the Business Meeting of the SC Workers' Compensation Commission on January 25, 2010 the Commission created an Advisory Committee to review the Commission's current methodology to calculate the Maximum Allowable Payment (MAP) for services in the Medical Services Provider Manual (MSPM) and consider other methodologies including the use of multiple conversion factors for different CPT codes for calculating the MAP or using a Medicare plus payment system for calculating the MAP.

Statutory Authority

The Workers' Compensation Commission is the regulatory agency of the State of South Carolina responsible for overseeing and administering the South Carolina Workers' Compensation Act. SC Code Ann. § 42-1-10 et seq. (1976). The Commission has the authority to approve or deny medical fees, as well as the statutory and regulatory discretion to set the amount of fines. § 42-15-90; R 67-1302

§ 42-15-90. Fees of attorneys and physicians and hospital charges shall be approved by the Commission.

Fees for attorneys and physicians and charges of hospitals for services under this title shall be subject to the approval of the Commission.

R 67-1302. Maximum Allowable Payments to Medical Practitioners.

A. The Commission shall establish maximum allowable payments for medical services provided by medical practitioners based on a relative value scale and a conversion factor set by the Commission.

(1) The maximum allowable payments and any policies governing the billing and payment of services provided by medical practitioners shall be published in a medical services provider manual.

(2) The Commission may review and update the relative values and/or conversion factor as needed.

Current Medical Service Provider Payment System

The current method for calculating the MAP was approved by the Commission in 1995. The MAP is calculated by multiplying the value assigned by the Center for Medicare and Medicaid Services (CMS) Resource Based Relative Values Scale (RBRVS) for the Current Procedural Terminology (CPT) code published by the American Medical Association by a conversion factor approved by the Commission.

During the deliberations for the adoption of the 2010 MSPM the question arose as to whether or not the Commission had the authority to adopt a fee schedule with more than one conversion factor. The Commission requested a legal opinion of the interpretation of R 67-1302 from Kelly Golden, Esq., legal counsel. Ms. Golden is of the opinion, under the current regulations the Commission is limited to the use of a single conversion factor in the calculation of the MSPM. Attachment A is a copy of the opinion.

Advisory Committee

Members of the Committee were appointed by Chairman Roche for the period required to complete the evaluation and present the recommendations to the Commission. The Chairman also appointed Mark Arden, Esq. as chairman of the Committee. Mr. Arden represented the Injured Workers' Advocates Association.

In an effort to obtain input from the interested parties, staff prepared a list of organizations and individuals who may be interested in participating on the committee and presented the list to Chairman Roche. Chairman Roche approved the list and staff contacted the following organizations to invite their participation.

Ambulatory Surgery Center Association

Bill Reviewers

- Accident Insurance Company
- Companion Property and Casualty Ins. Co.
- Corvel Corporation

Civil Justice Coalition

Commercial Insurance carriers

- American Insurance Association (AIA)
- Property Casualty Insurers Association (PCI)

Injured Workers' Advocates Association

South Carolina Chamber of Commerce

South Carolina Employee Insurance Program (of SCBCB)

South Carolina Hospital Association

South Carolina Medical Association

South Carolina Orthopaedic Association

South Carolina Property and Casualty Insurance Guaranty Association

South Carolina Self-Insurers Association

South Carolina Small Business Chamber of Commerce

South Carolina Society of Anesthesiologists

South Carolina Workers' Compensation Education Association

State Accident Fund

Third Party Administrators (TPAs)

- Key Risk Management Services
- Palmetto Hospital Trust Services
- Sedgwick CMS

The Accident Insurance Company, Civil Justice Coalition, Sedgwick CMS, and the South Carolina Property and Casualty Insurance Guaranty Association declined the invitation to participate.

Attachment B contains a list of the advisory committee members.

Staff Support

The Commission's Executive Director, the Executive Director's Administrative Coordinator, the Director of Insurance and Medical Services and Commission's Chief Medical Consultant served as ex officio members and provided research, analysis and administrative support.

Committee Process

The Committee met on March 15, April 15, May 14 and June 18. Research information and fiscal impact analysis prepared by staff and information submitted by committee members were distributed to the committee electronically prior to each meeting. This information is found in Attachment C.

Recommendations

The following recommendations were approved by the Committee at their meeting on June 18, 2010.

1. The Commission continue the current policy of utilizing the Resource Based Relative Value Scale (RBRVS) and a single conversion factor as the method of calculating the Maximum Allowable Payment (MAP) for each procedure code.
2. The Commission adopt an annual review process to adjust the Provider Manual to include a period for stakeholder comments to the Commission.
3. The Commission include a complete listing of the HCPCS codes and corresponding fees in the Medical Services Provider Manual.
4. The Commission conduct a cost benefit analysis of including American Dental Association (ADA) alphanumeric codes for dental services provided in a workers' compensation claim for the Medical Services Provider Manual.
5. The Medical Services Provider Manual Advisory Committee's report to the Commission will include minority reports.

Attachments

- A. Legal opinion - single vs. multiple conversion factors
- B. Committee Roster
- C. Research and fiscal impact information

Committee Process

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1. The Commission continue the current policy of utilizing the Resource Based Relative Value Scale (RBRVS) and a single conversion factor as the method of calculating the Maximum Allowable Payment (MAP) for each procedure code.
2. The Commission adopt an annual review process to adjust the Provider Manual to include a period for stakeholder comments to the Commission.
3. The Commission include a complete listing of the HCPCS codes and corresponding fees in the Medical Services Provider Manual.
4. The Commission conduct a cost benefit analysis of including American Dental Association (ADA) alphanumeric codes for dental services provided in a workers' compensation claim for the Medical Services Provider Manual.
5. The Medical Services Provider Manual Advisory Committee's report to the Commission will include minority reports. (No *minority report* provided.)

Attachments

- A. Legal opinion - single vs. multiple conversion factors
- B. Committee Roster
- C. Research and fiscal impact information
- D. HCPCS Information

Attachment A

State of South Carolina



1333 Main Street, Suite 500
P.O. Box 1715
Columbia, S.C. 29202-1715

Tel: (803) 737-5700
Fax: (803) 737-1258
www.wcc.sc.gov

Workers' Compensation Commission

December 9, 2009

Mr. Gary M. Cannon
Executive Director
SC Workers' Compensation Commission
1333 Main Street
P.O. Box 1715
Columbia, SC 29202-1715

RE: Request for Opinion
S.C. Code Regs. 67-1302

Dear Mr. Cannon:

You asked for an opinion interpreting S.C. Code Regs. 67-1302. Your specific question is: "Does the regulation ... restrict the Commission to having one conversion factor or does it allow [the Commission] to have more?"

Under current regulations, the Commission is limited to the use of a single conversion factor. My opinion is based on the use of the word "a" preceding the word "conversion factor". The word "a" is an indefinite article used before a singular noun. We use the word "a" before a singular count-noun that begins with a consonant (a cow, a barn, a sheep) and we use the form "an" before singular count-noun that begins with a vowel or vowel-like sound (an apple, an urban blight, an open door).

When interpreting the meaning of a statute or regulation, certain basic principles must be observed. The cardinal rule of statutory interpretation is to ascertain and give effect to legislative intent. State v. Martin, 293 S.C. 46, 358 S.E.2d 697 (1987). Typically, legislative intent is determined by applying the words used by the General Assembly in their usual and ordinary significance. Martin v. Nationwide Mutual Insurance Company, 256 S.C. 577, 183 S.E.2d 451 (1971). Resort to subtle or forced construction for the purpose of limiting or expanding the operation of a statute should not be undertaken. Walton v. Walton, 282 S.C. 165, 318 S.E.2d 14 (1984). Courts must apply the clear and unambiguous terms of a statute or regulation according to their literal meaning. State v. Blackmon, 304 S.C. 270, 403 S.E.2d 660 (1991). Statutes or

Mr. Gary M. Cannon
December 9, 3009
Page Two

regulations should be given a reasonable and practical construction which is consistent with the policy and purpose expressed therein. Jones v. South Carolina State Highway Department, 247 S.C. 132, 146 S.E.2d 166 (1966).

In 1994, two of the recommendations submitted to the Workers' Compensation Commission from its "Physician & Surgeons Fee Schedule Advisory Committee" were:

- Adopt Medicare's resource based relative value system (RBRVS); and
- Adopt a single conversion factor.

The recommendations adopted by the Commission were based on these recommendations by unanimous vote on October 24, 1994.

In 1997, the Commission expressly incorporated the relative value system in an amended Regulation 67-1302 effective June 27, 1997. At that time, the Commission represented to the stakeholders, including the General Assembly, that a single conversion factor system would be implemented. The singular indefinite article "a" appearing before the words "conversion factor" was intentional.

The Commission's intent is further expressed in S.C. Code Regs. 1302 (A) (2) providing that the Commission "may review and update the relative values and / or the conversion factor as needed." [emphasis added.] The word "the" is a definite article because it usually precedes a specific or previously mentioned singular noun. The words "a" and "the" are listed among the noun markers or determiners because they are almost invariably followed by a singular noun.

The intent of the Workers' Compensation Commission to adopt a Medicare patterned Resource Based Relative Value Scale (RBRVS) with a single conversion factor applicable to all procedures, surgical and non-surgical is evidenced not only by the common and usual grammatical rules mentioned above but also by an affidavit by Mr. Gary Thibault. Mr. Thibault's affidavit is available upon request.

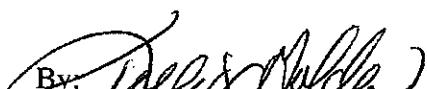
As noted in an opinion by the Attorney General of South Carolina dated October 26, 2006, [i]his office, as a matter of policy, typically defers to the administrative interpretation of the agency charged with the enforcement of...[a]...statute in question. See, e.g., Ops. Atty. Gen. dated March 9, 2000 and November 25, 1998. As noted in a prior opinion of that office dated October 20, 1997, "construction of a statute by the agency charged with executing it is entitled to the most respectful consideration...and should not be overruled absent cogent reasons." Moreover, where an administrative interpretation is long-standing and has not been expressly changed by the General Assembly, the agency interpretation is entitled to even greater deference. Marchant v. Hamilton, 279 S.C. 497, 309 S.E.2d 781 (Ct.App. 1983). As recognized in another prior opinion of the Attorney General's office dated March 12, 1997, if an administrative interpretation is reasonable, courts will defer to such construction even if that

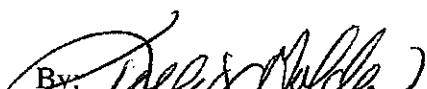
Mr. Gary M. Cannon
December 9, 3009
Page Three

construction is not the only reasonable one or the one a court would have adopted in the first instance.

Accordingly, this office would defer to the interpretation of S.C. Code Regs. 67-1302 by the those charged with the implementation thereof. Finding no evidence to the contrary, it is my opinion that the current regulation at issue is subject to but one interpretation – that a single conversion factor was intended to be adopted and used by the Commission.

With kind regards, I am,



By: 
Kelly N. Golden
Counsel to the Commission

ATTACHMENT B

Medical Services Provider Manual Advisory Committee

May 14, 2010

Nomination

Brian Teusink
Senior Exec. Vice President
Palmetto Hospital Trust
Telephone: 803-731-5300 ext.1585
Email: bteusink@phts.com

Jeri Boysia
Vice President & Actuary
Rebecca Rabern
Companion Property and Casualty Ins. Co.
Telephone: 803-264-5360
Email: Jeri.Boysia@companiongroup.com

Cindy Benton
District Manager
Telephone: 803-451-3401, ext. 3411
Cell: 803-413-4055
Email: Cindy_Benton@corvel.com

Randy Pardee
Pardee's Refrig. & Air Conditioning
1101 Miller Avenue
Columbia, SC 29203
Cell: 803-606-5541
Email: pardeeshvac@aol.com

Mike Pankey
ASC of Spartanburg
720 N Pine St
Spartanburg, SC 29303
Telephone: 864-560-5821
Email: mpankey@srhs.com

Organization

PHT Services, Ltd.
Suite 402, Converse Building
250 Berryhill Road
P.O. Box 21099
Columbia, SC 29221-1099
Telephone: 803-731-5300

Companion Property and Casualty Ins. Co.
Post Office Box 100165
Columbia, SC 29202
Telephone: 803-735-0672

Corvel Corporation
200 Center Point Circle, Suite 290
Columbia, SC 29210
Telephone: 803-451-3401

SC Small Business Chamber of Commerce
1717 Gervais Street
Columbia, SC 29201
Telephone: 803-252-5733
Email: sbchamber@scsbs.org

SC Assoc. of Ambulatory Surgery Centers
1400 Village Square Blvd, #3-175
Tallahassee, FL 32312
Telephone: 888-526-9450
Contact: Meghan Millard, Deputy Exec. Director
Email: meghan@ascmember.org

Mary Ann Lubeskie

Vice President Claims Medical Programs

Lorynda Fish

The Hartford

Email: maryann.lubeskie@thehartford.com

Telephone: 860-547-2894

Admin. Asst: Barbara Leoni

Email: barbara.leoni@theHartford.com

Telephone: 860-547-7644

American Insurance Association**Washington, D.C. Headquarters**

2101 L Street, NW, Suite 400

Washington, DC 20037

Telephone: 202-828-7100

SOUTHEAST (Atlanta)

5605 Glenridge Drive, Suite 845

Atlanta, Georgia 30342

Telephone: 404-261-8834

Rick Bouchard, SCLA

Vice President, Claims

Montgomery Insurance

Direct Dial: 704-759-7700

Mobile: 704-996-0739

Email: richard.bouchard@montgomery-ins.com

Property Casualty Insurer's Association**PCI Headquarters**

2600 South River Road

Des Plaines, IL 60018-3286

Telephone: 847-297-7800

Regional Office

William Stander

215 S. Monroe Street, Suite 830 (32301)

P.O. Box 11174

Tallahassee, FL 32302

Telephone: 850-681-2615

Laura Smoak

Research & Statistics Manager

SC Employee Insurance Program

Telephone: 803-734-1623

Email: lsmoak@eip.sc.gov

SC Employee Insurance Program (of SCBCB)

1201 Main Street, Suite 300

Columbia, South Carolina 29201

Telephone: 803-734-0678

Contact: Robin Tester

Donna Croom

Executive Director

SC Workers' Comp. Educational Assoc.

Email: scwcea@bellsouth.net

SC Workers' Comp. Educational Association

3 Cavendish Court

Irmo, SC 29063

803-407-3360

Contact: Chris C. Daniel, President

Will Floyd MD, MPH
Healthworks
1333 Taylor St., Suite 3H
Columbia, SC 29220
Telephone: 803-296-3304
Email: willie.floyd@palmettohealth.org

South Carolina Medical Association
132 Westpark Blvd.
Columbia, SC 29210
Post Office Box 11188
Columbia, SC 29211-1188
Telephone: 803-798-6207
Contact: Scott E. Hultstrand
Email: scott@scmanet.org

AnnMargaret McCraw
Chief Operating Officer
Midlands Orthopaedics, PA
1910 Blanding Street
Columbia, SC 29201
Telephone: 803-933-6134
Email: annm@midlandsortho.com

South Carolina Orthopaedic Association
17503 Mallard Court
Lutz, FL 33559
Telephone: 813-949-3121
Contact: Fraser Cobbe, Executive Director

Mark Arden, Esq.
Chappell, Smith & Arden
Telephone: 803-929-3609
Email: marden@csa-law.com

Injured Workers' Advocates
Post Office Box 12513
Columbia, South Carolina 29211
Telephone: 803-799-0080
Contact: Clara T. Smith, Executive Director
Email: clara@injuredworkersadvocates.com

Moby Salahuddin
Executive Director
South Carolina Self-Insurers Association
Email: msalahuddin@sc.rr.com

South Carolina Self-Insurers Association
215 Holly Ridge Lane
West Columbia, SC 29169
Telephone: 803-794-2080

Ron Chatham
The Edisto Group
4200 Byrnes Blvd.
Florence, SC 29506
Telephone: 843-229-7460
Email: ronchatham@edistogroup.com

South Carolina Chamber of Commerce
1201 Main Street, Suite 1700
Columbia, SC 29201
Contact: Otis Rawl, President and CEO
Telephone: 803-799-4601
Email: chamber@scchamber.net

Margarita M. Pate
Executive Director
Telephone: 843-697-3114
Email: mpscsa@aol.com

The SC Society of Anesthesiologists
P.O. Box 20189
Charleston, S.C. 29413
Telephone: 843-697-3114
Email: mpscsa@aol.com

Barney Osborne
VP - Finance and Reimbursement
The SC Hospital Association
Telephone: 803-744-3444
Email: bosborne@scha.org

The SC Hospital Association
1000 Center Point Road
Columbia, SC 29210
Telephone: 803-796-3080

Glenn Miller
AVP Managed Care
Debbie Fox
Key Risk Management Services
P. O. Box 49129
Greensboro, NC 27419
Telephone: 800-942-0225 ext. 7414
Email: gmiller@keyrisk.com

Key Risk Management Services
Post Office Box 49129
Greensboro, NC 27419
Telephone: 800-942-0225

Harry Gregory
Executive Director
State Accident Fund
Email: hgregory@saf.sc.gov

State Accident Fund
800 Dutch Square Blvd, Suite 160
Columbia, SC 29210
Telephone: 803-896-5409
Contact: Harry Gregory
Email: hgregory@saf.sc.gov

WCC Staff

Gary Cannon
Executive Director
South Carolina Workers' Compensation
Commission
1333 Main St., Suite 500 (29201)
P. O. Box 1715
Columbia, SC 29202-1715
Telephone: 803-737-5726
Email: gcannon@wcc.sc.gov

Al McCutcheon

Director, Insurance and Medical Services
South Carolina Workers' Compensation
Commission
1333 Main St., Suite 500 (29201)
P. O. Box 1715
Columbia, SC 29202-1715
Telephone: 803-737-5718
Email: amccutcheon@wcc.sc.gov

Kandee Johnson

Executive Assistant
South Carolina Workers' Compensation
Commission
1333 Main St., Suite 500 (29201)
P. O. Box 1715
Columbia, SC 29202-1715
Telephone: 803-737-5744
Email: kjohnson@wcc.sc.gov

David Adcock MD

Chief Medical Consultant
South Carolina Workers' Compensation
Commission
1333 Main St., Suite 500 (29201)
P. O. Box 1715
Columbia, SC 29202-1715
Telephone: 803-733-3295
Email: david.adcock@uscmed.sc.edu

ATTACHMENT C

RECEIVED
FEDERAL BUREAU OF INVESTIGATION
U.S. DEPARTMENT OF JUSTICE
MAY 19 1968

Effect of Different Payment Methods on WC System
Top 200 SC Workers' Compensation Procedures Based on 2008 Expenditures
Sorted by CPT Code

CPT Code	Procedure Description	2008 Procedures										2010 SC Medicare Payment										State Health Plan						
		Single CF					Multiple Conversion Factors					Non-Fac Facility					Facility					Plus		Plus				
		CF = \$50 All Codes	CF = \$50 All Others	\$52 Surg	\$55 Surg	\$58 Surg	\$50 All Others	\$50 All Others	\$52 Surg	\$55 Surg	\$58 Surg	\$50 All Others	\$50 All Others	\$52 Surg	\$55 Surg	\$58 Surg	Total	46%	50%	46%	50%	18%	20%					
99242	ORC CONSULT-NEWEST P	282	\$ 127	\$ 98	\$ 31,342	\$ 31,342	\$ 31,342	\$ 31,342	\$ 31,342	\$ 31,342	\$ 31,342	\$ 31,342	\$ 31,342	\$ 31,342	\$ 31,342	\$ 45,759	\$ 47,013	\$ 85	\$ 66	\$ 21,026	\$ 24,810	\$ 25,231						
99243	OFFICE CONSULTATION	1,348	\$ 174	\$ 136	\$ 221,241	\$ 221,241	\$ 221,241	\$ 221,241	\$ 221,241	\$ 221,241	\$ 221,241	\$ 221,241	\$ 221,241	\$ 221,241	\$ 221,241	\$ 231,861	\$ 233,011	\$ 117	\$ 92	\$ 149,291	\$ 176,163	\$ 179,149						
99244	OFFICE CONSULTATION	1,170	\$ 257	\$ 216	\$ 288,698	\$ 288,698	\$ 288,698	\$ 288,698	\$ 288,698	\$ 288,698	\$ 288,698	\$ 288,698	\$ 288,698	\$ 288,698	\$ 288,698	\$ 421,498	\$ 433,046	\$ 175	\$ 147	\$ 196,560	\$ 231,941	\$ 235,872						
99245	OFFICE CONSULTATION	399	\$ 314	\$ 266	\$ 93,473	\$ 93,473	\$ 93,473	\$ 93,473	\$ 93,473	\$ 93,473	\$ 93,473	\$ 93,473	\$ 93,473	\$ 93,473	\$ 93,473	\$ 136,470	\$ 140,209	\$ 215	\$ 183	\$ 63,963	\$ 75,476	\$ 76,756						
99282	ER DPT VISIT LOW	2,097	\$ 58	\$ 58	\$ 121,626	\$ 121,626	\$ 121,626	\$ 121,626	\$ 121,626	\$ 121,626	\$ 121,626	\$ 121,626	\$ 121,626	\$ 121,626	\$ 121,626	\$ 116,280	\$ 119,486	\$ 38	\$ 38	\$ 79,686	\$ 94,028	\$ 95,623						
99283	ER DPT VISIT MOD	5,442	\$ 88	\$ 88	\$ 476,175	\$ 476,175	\$ 476,175	\$ 476,175	\$ 476,175	\$ 476,175	\$ 476,175	\$ 476,175	\$ 476,175	\$ 476,175	\$ 476,175	\$ 58	\$ 58	\$ 315,146	\$ 460,113	\$ 472,719	\$ 77	\$ 77	\$ 419,034	\$ 494,460	\$ 502,841			
99284	ER DPT VISIT HIGH	2,236	\$ 164	\$ 164	\$ 365,586	\$ 365,586	\$ 365,586	\$ 365,586	\$ 365,586	\$ 365,586	\$ 365,586	\$ 365,586	\$ 365,586	\$ 365,586	\$ 365,586	\$ 365,282	\$ 365,344	\$ 109	\$ 109	\$ 243,344	\$ 365,016	\$ 365,016	\$ 120	\$ 120	\$ 268,320	\$ 316,618	\$ 321,984	
99285	ER DPT VISIT HIGH	691	\$ 239	\$ 239	\$ 165,149	\$ 165,149	\$ 165,149	\$ 165,149	\$ 165,149	\$ 165,149	\$ 165,149	\$ 165,149	\$ 165,149	\$ 165,149	\$ 165,149	\$ 162,194	\$ 111,092	\$ 161	\$ 161	\$ 166,638	\$ 188	\$ 188	\$ 129,908	\$ 153,291	\$ 155,890			
99291	CRITICAL CARE E/M	178	\$ 363	\$ 306	\$ 62,078	\$ 62,078	\$ 62,078	\$ 62,078	\$ 62,078	\$ 62,078	\$ 62,078	\$ 62,078	\$ 62,078	\$ 62,078	\$ 62,078	\$ 241	\$ 203	\$ 41,219	\$ 60,180	\$ 61,829	\$ 279	\$ 229	\$ 47,437	\$ 55,976	\$ 56,924			
99349	HOME VISIT, EST PATIENT	519	\$ 175	\$ 90,566	\$ 90,566	\$ 90,566	\$ 90,566	\$ 90,566	\$ 90,566	\$ 90,566	\$ 90,566	\$ 90,566	\$ 90,566	\$ 90,566	\$ 90,566	\$ 58,055	\$ 84,761	\$ 112	\$ 112	\$ 87,083	\$ 111	\$ 111	\$ 57,609	\$ 67,979	\$ 69,131			

Effect of Adopting Different Payment Methods on Each CPT Code
Top 200 SC Workers' Compensation Procedures Based on 2008 Expenditures
Sorted by CPT Code

Page 6

CPT Code	Procedure Description	2008 Procedures	2010 Rel. Values			Multiple Conversion Factors			2010 SC Medicare Payment			State Health Plan		
			Single Conv. Factor		Surg. CF = \$52 Other CF= \$50	Surg. CF = \$55 Other CF = \$50		Surg. CF = \$58 Other CF = \$60		2010 Medicare Payment		Plus 50%		Plus 20%
			Non-Efac	Facility	Non-Efac	Facility	Non-Efac	Facility	Non-Fac	Facility	Non-Fac	Facility	Non-Fac	Facility
97116	GAIT TRAINING	749	0.74	\$ 37	\$ 34	\$ 37	\$ 34	\$ 37	\$ 24	\$ 36	\$ 19	\$ 19	\$ 23	\$ 23
97124	MASSAGE	1,489	0.68	\$ 34	\$ 39	\$ 34	\$ 39	\$ 34	\$ 22	\$ 32	\$ 17	\$ 17	\$ 20	\$ 20
97140	MANUAL THERAPY	25,563	0.78	\$ 39	\$ 45	\$ 39	\$ 45	\$ 39	\$ 25	\$ 38	\$ 26	\$ 26	\$ 31	\$ 31
97530	THERAPEUTIC ACTIVITY	13,831	0.90	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 29	\$ 43	\$ 21	\$ 21	\$ 25	\$ 25
97535	SELF CARE MGMT TRAINING	735	0.90	\$ 45	\$ 45	\$ 43	\$ 43	\$ 43	\$ 28	\$ 41	\$ 21	\$ 21	\$ 25	\$ 25
97750	PHYS PERFORMANCE TEST	1,516	0.86	\$ 49	\$ 43	\$ 49	\$ 43	\$ 49	\$ 32	\$ 43	\$ 23	\$ 23	\$ 28	\$ 28
98941	CHIROPRACTIC MANIPULATION	1,324	0.98	\$ 86	\$ 86	\$ 86	\$ 86	\$ 86	\$ 62	\$ 62	\$ 45	\$ 45	\$ 72	\$ 72
989202	NEW EM OFFICE VISIT	2,516	1.96	\$ 139	\$ 98	\$ 70	\$ 98	\$ 70	\$ 98	\$ 94	\$ 68	\$ 68	\$ 52	\$ 52
989203	NEW EM OFFICE VISIT	5,705	2.83	\$ 211	\$ 142	\$ 106	\$ 142	\$ 106	\$ 142	\$ 106	\$ 98	\$ 98	\$ 103	\$ 103
989204	NEW EM OFFICE VISIT	2,308	4.39	\$ 359	\$ 220	\$ 180	\$ 220	\$ 180	\$ 220	\$ 180	\$ 141	\$ 115	\$ 131	\$ 131
989205	NEW EM OFFICE VISIT	295	5.47	\$ 461	\$ 274	\$ 231	\$ 274	\$ 231	\$ 274	\$ 231	\$ 177	\$ 149	\$ 204	\$ 204
989211	ESTAB EM OFFICE VISIT	1,133	0.50	\$ 0.26	\$ 25	\$ 13	\$ 25	\$ 13	\$ 25	\$ 13	\$ 18	\$ 8	\$ 13	\$ 10
989212	ESTAB EM OFFICE VISIT	7,293	1.12	\$ 0.71	\$ 56	\$ 36	\$ 56	\$ 36	\$ 56	\$ 36	\$ 26	\$ 18	\$ 8	\$ 22
989213	ESTAB EM OFFICE VISIT	24,309	1.90	\$ 141	\$ 95	\$ 71	\$ 95	\$ 71	\$ 95	\$ 71	\$ 61	\$ 45	\$ 42	\$ 26
989214	ESTAB EM OFFICE VISIT	11,016	2.82	\$ 216	\$ 141	\$ 108	\$ 141	\$ 108	\$ 141	\$ 108	\$ 92	\$ 70	\$ 67	\$ 52
989215	ESTAB EM OFFICE VISIT	1,196	3.81	\$ 304	\$ 191	\$ 152	\$ 191	\$ 152	\$ 191	\$ 152	\$ 124	\$ 99	\$ 143	\$ 114
989222	INITIAL HOSPITAL CARE	156	3.70	\$ 42	\$ 271	\$ 271	\$ 271	\$ 271	\$ 271	\$ 271	\$ 185	\$ 121	\$ 118	\$ 142
989223	INITIAL HOSPITAL CARE	168	5.42	\$ 42	\$ 271	\$ 271	\$ 271	\$ 271	\$ 271	\$ 271	\$ 178	\$ 122	\$ 118	\$ 142
989231	SUBSQT HOSPITAL CARE	665	1.08	\$ 54	\$ 54	\$ 54	\$ 54	\$ 54	\$ 54	\$ 54	\$ 54	\$ 54	\$ 43	\$ 43
989232	SUBSQT HOSPITAL CARE	1,091	1.98	\$ 99	\$ 99	\$ 99	\$ 99	\$ 99	\$ 65	\$ 65	\$ 97	\$ 97	\$ 78	\$ 78
989233	SUBSQT HOSPITAL CARE	296	2.83	\$ 142	\$ 142	\$ 142	\$ 142	\$ 142	\$ 142	\$ 142	\$ 139	\$ 139	\$ 92	\$ 92
989242	OFC CONSULT-NEWEST PAT	262	2.54	\$ 127	\$ 98	\$ 127	\$ 98	\$ 127	\$ 98	\$ 127	\$ 98	\$ 98	\$ 85	\$ 79
989243	OFFICE CONSULTATION	1,348	3.47	\$ 272	\$ 174	\$ 136	\$ 174	\$ 136	\$ 174	\$ 136	\$ 267	\$ 174	\$ 209	\$ 209
989244	OFFICE CONSULTATION	1,170	5.14	\$ 432	\$ 257	\$ 216	\$ 257	\$ 216	\$ 257	\$ 216	\$ 216	\$ 175	\$ 147	\$ 176
989245	OFFICE CONSULTATION	309	6.28	\$ 536	\$ 314	\$ 268	\$ 314	\$ 268	\$ 314	\$ 268	\$ 268	\$ 215	\$ 183	\$ 220
989262	ER DPT VISIT LOW	2,097	1.16	\$ 58	\$ 58	\$ 58	\$ 58	\$ 58	\$ 58	\$ 58	\$ 306	\$ 241	\$ 203	\$ 226
989283	ER DPT VISIT MOD	5,442	1.75	\$ 88	\$ 88	\$ 88	\$ 88	\$ 88	\$ 88	\$ 88	\$ 363	\$ 239	\$ 188	\$ 144
989284	ER DPT VISIT HIGH	2,236	3.27	\$ 164	\$ 164	\$ 164	\$ 164	\$ 164	\$ 164	\$ 164	\$ 239	\$ 161	\$ 241	\$ 226
989285	ER DPT VISIT HIGH	691	4.78	\$ 239	\$ 239	\$ 239	\$ 239	\$ 239	\$ 239	\$ 239	\$ 239	\$ 239	\$ 188	\$ 144
989291	Critical Care EM	178	6.12	\$ 363	\$ 306	\$ 363	\$ 306	\$ 363	\$ 306	\$ 306	\$ 362	\$ 304	\$ 279	\$ 226
989349	HOME VISIT, EST PATIENT	519	3.49	\$ 175	\$ 175	\$ 175	\$ 175	\$ 175	\$ 175	\$ 175	\$ 112	\$ 112	\$ 111	\$ 133

Attachment D

Medical Services Provider Manual Advisory Committee Recommendation #3

"The Commission include a complete listing of the HCPCS codes and corresponding fees in the Medical Services Provider Manual."

Background information

HCPCS (Healthcare Common Procedure Coding System) is a standardized coding system designed to ensure that health claims are processed in an orderly and consistent manner. HCPCS codes are divided into two subsystems, level I and level II. Level I is comprised of CPT (Current Procedural Terminology) codes maintained by the American Medical Association (AMA). Level II codes are used primarily to identify products, supplies, and services not included in CPT codes, such as ambulance services and durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS) when used outside a physician's office.

Current status

The 2010 Medical Services Provider Manual was updated to include most of the HCPCS codes. HCPCS codes not included in the fee schedule do not have relative values set by Medicare. Alternate CPT codes exist that more accurately describe the service for most of the codes not included in our fee schedule.

Codes listed in our 2010 fee schedule, with the exception of dental and ambulance will cover practically every workers' compensation procedure and supply. In the event that it does not, the manual contains a provision to allow payment to the provider at cost plus 20%; acquisition invoice cost plus 20%; or a negotiated amount.

The following HCPCS codes are currently not included in the Medical Services Provider Manual:

A codes - Transportation services including ambulance. These codes were not implemented by Medicare until April 2002.

B codes - Nutritional supplies, formulae and pumps

C codes - Outpatient PPS codes

D codes - Dental codes

G codes - Temporary codes used to identify professional health care procedures and services that would otherwise be coded in CPT but for which there are no CPT codes.

H codes - Alcohol and drug abuse treatment services

M codes - Therapeutic efficacy has not been established or experimental

P codes - CPT codes are used for pathology and laboratory services

R codes - (3 codes) transportation of portable x-ray or EKG equipment to nursing home, facility or patient home, per trip

S codes - Temporary codes created by private sector and used by Medicaid, but not payable by Medicare, to implement policies, programs or claims processing

T codes - Codes designed for use by Medicaid state agencies where no permanent national codes exist

Benefits and challenges of including the HCPCS codes to the Medical Services Provider Manual

Carriers and bill review companies will benefit from the ambulance and the dental HCPCS being included in the Medical Services Provider Manual. It will reduce their administrative work load and the number of disputes, necessitating the involvement of the Commission.

Potential challenges. Access to dental providers may be reduced if a fee schedule is implemented thereby limiting the payment for service to the provider. The use of dental codes may require the American Dental Association's permission and payment of a royalty fee.

Should the Commission opt to accept this recommendation a financial impact to the system will be conducted and a recommendation will be made during the MSPM review next year.

TO: Commissioners

FROM: Gary M. Cannon

DATE: July 13, 2010

RE: Hearing Cost Assessments

R 67-614 authorizes the Commission to issue an order assessing the actual cost of a hearing as established by the Commission for hearings that have been brought, prosecuted or defended on unreasonable grounds.

The current hearing cost assessment is \$634.20 established by the Commission on April 22, 2009. Staff is unable to determine the method used to calculate this amount. It appears not all of the costs (i.e. salaries, other operating cost) associated with a hearing were included. Telephone and postage were the primary cost centers.

Staff updated the cost allocation method for calculating the hearing cost to accurately reflect the cost associated with processing a claim for a hearing. In the updated calculation a high percentage of Judicial staff salaries is included. Also, the new financial reporting system is more detailed allowing us to track and allocate the cost more accurately. The cost allocation and new hearing cost is shown in the attached document.

Recommendation: Approve the hearing cost assessment under regulation R 67-614 for FY 2010-11 as \$1,014.86.

Hearing Cost Allocation

FY 2009-2010

Salaries	Total Expenses	% of Cost for Hearings	Total Hearing Cost
	FY 2009-2010		
Commissioners	780,169.00	95%	741,160.55
Comm. Classified Staff	290,075.00	95%	275,571.25
Judicial Staff	380,705.00	98%	373,090.90
Total	\$ 1,450,949.00		\$ 1,389,822.70

Travel

Commissioners	111,845.34	95%	106,253.07
Legal Services (Court Reporters)	167,204.75	100%	167,204.75
Total	\$ 279,050.09		\$ 273,457.82

Other Operating Costs - Commission

DP Service	32,365.14	95%	30,746.88
Express Delivery (UPS, Fedex)	208.32	95%	197.90
Telephones	4,884.89	95%	4,640.65
Cell Phones	10,751.34	95%	10,213.77
Attorney Fees	1,837.40	95%	1,745.53
Other Professional Services (D&B)	727.40	95%	691.03
Office Supplies	7,688.27	95%	7,303.86
Copying Supplies	2,960.61	95%	2,812.58
Printing	1,359.04	95%	1,291.09
Postage	18,294.78	95%	17,380.04
Copier Rent	4,902.00	95%	4,656.90
Building Rent	149,130.06	95%	141,673.56
Leased Cars	45,807.55	95%	43,517.17
Total	\$ 280,916.80		\$ 266,870.96

Other Operating Costs - Judicial

DP Service	22,304.90	98%	21,858.80
Express Delivery (UPS, Fedex)	30.12	98%	29.52
Telephones	2,603.58	98%	2,551.51
Cell Phones	1,211.25	98%	1,187.03
Office Supplies	4,489.12	98%	4,399.34
Copying Supplies	2,282.19	98%	2,236.55
Printing	1,779.39	98%	1,743.80
Postage	10,709.87	98%	10,495.67
Copier Rent	825.42	98%	808.91
Building Rent	62,623.74	98%	61,371.27
Total	\$ 108,859.58		\$ 106,682.39

Total Expenses	\$ 2,119,775.47	\$ 2,036,833.87
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Total Hearings Docketed	10,043	
Total PER CASE DOCKETED HEARINGS		\$ 202.81
Total Hearings Conduted	2,007	
TOTAL HEARING COST		\$ 1,014.86